

MISSION: ZERO

within reach

In 2010, Saskatchewan's
Time Loss injury rate dropped
to its lowest level in 20 years.

zero is the
only number
that makes sense

EVEN ONE WORKPLACE INJURY IS TOO MANY



vision

In serving injured workers and employers, we excel in the development and delivery of workers' compensation programs and services. In serving all workers and employers, we develop and deliver injury prevention programs and services that move Saskatchewan quickly to zero workplace injuries.

mission

IN SUPPORT OF OUR VISION, OUR MISSION IS TO:

1. Provide the right service, at the right time, and be cost-effective in our processes
2. Build positive relationships with workers, employers, and others affected by the workers' compensation system
3. Build positive relationships and implement programs that move Saskatchewan to zero workplace injuries
4. Ensure the health and safety of our employees is considered in all of our decisions and actions
5. Communicate clearly our distinct identity, benefits, and beliefs
6. Ensure the organizational and financial integrity of the Workers Compensation Board
7. Be accountable for our results

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year at a glance

	2010	2009	2008	2007	2006
Number of workers covered ¹	370,659	353,384	354,295	346,387	330,981
Time Loss injury rate (per 100 workers) ²	3.12	3.44	3.70	3.80	4.05
Total injury rate (per 100 workers) ²	8.70	9.32	10.21	9.87	10.18
Number of claims reported	38,773	39,558	43,303	41,301	40,922
Number of Time Loss claims accepted ²	11,574	12,141	13,093	13,166	13,400
Fatal claims accepted ³	44	32	31	36	34
Average duration in days ⁴	34.67	34.10	33.11	32.08	33.49
Active employer accounts ⁵	40,365	38,354	35,946	34,364	33,438
Average premium rate ⁶ (per \$100 of insurable earnings)	1.63	1.66	1.69	1.84	1.84
Number of appeals filed					
Appeals Department	1,150	951	1,064	1,021	1,008
Board Level	239	232	219	208	233
Claims costs (\$ millions)	228.3	222.8	205.8	202.0	241.1
Premium revenue (\$ millions) ⁷	251.0	255.2	245.2	240.7	226.1
Investment revenue (\$ millions)	43.9	27.0	22.0	149.2	87.5
Benefits liabilities (\$ millions)	1,021.3	995.7	969.5	955.3	933.2
Funded position (\$ millions)					
Injury Fund	121.6	111.0	109.0	99.0	(4.6)
Reserves	61.3	59.7	58.2	57.3	31.0
AOCI ⁸	118.6	6.3	(146.5)	91.3	185.3
Funding percentage	111.9	111.2	111.2	110.4	99.5

¹ Full-time equivalent workers based on Statistics Canada average wage and WCB payroll information as of December 31st. Does not include workers for self-insured employers.

² Based on new claims reported to, and accepted by, the WCB in the year. Does not include claims for self-insured employers.

³ Excludes claims for self-insured employers. There was 1 in 2010, 2 in 2009, 0 in 2008, 1 in 2007, and 4 in 2006.

⁴ Average days on compensation based on all Time Loss claims paid within a 12-month period.

⁵ Active employers excludes employers whose assessment accounts were finalized during the year.

⁶ All years are Board-approved rates.

⁷ Premium revenue regrouped to be consistent with AWCBC definitions of Key Statistical Measures. Prior years have been adjusted.

⁸ Accumulated Other Comprehensive Income is defined in the Management Discussion & Analysis.

letters of transmittal

**THE HONOURABLE
DR. GORDON L. BARNHART**

Lieutenant Governor Province of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of the Workers' Compensation Board for the Calendar Year 2010.



Donald Morgan

**THE HONOURABLE
DONALD MORGAN, Q.C.**
Minister Responsible
for the Workers
Compensation Board

THE LIEUTENANT GOVERNOR IN COUNCIL:

We are pleased to submit the eighty-first Annual Report of the Workers' Compensation Board for the year ending December 31, 2010.

Respectfully submitted,

David R. Eberle

DAVID R. EBERLE
Chairperson

Walter Eberle

WALTER EBERLE
Board Member

Karen Smith

KAREN SMITH
Board Member

message from the board

OUR ENTIRE ORGANIZATION HAS A FIRM BELIEF
IN MISSION: ZERO. WE WILL CONTINUE TO MAKE
IT OUR FLAGSHIP INITIATIVE.



DAVID R. EBERLE
Chairperson

KAREN SMITH
Board Member

WALTER EBERLE
Board Member

As stewards of the WCB system, we take seriously our role and commitment to Saskatchewan workers and employers. We are mindful that our decisions and the strategic directions we chart for this organization have consequences far into the future. This requires that we govern your WCB to an exacting standard of due diligence. In this annual report, the section titled *The WCB Board: Structure, Mandate and Role* describes in detail how your Board meets that standard. We encourage you to read and become familiar with this important information.

The strength and resilience of Saskatchewan's economy drove employment to record levels in 2010. In the process, we were reminded that our most valuable resource is the people who live and work here. We were reminded, too, that our unrelenting attack on workplace injuries continues to be vital to this province's economic growth. The challenges surrounding our labour force, immigration, training and workplace safety have all become critical as Saskatchewan people work together to realize the amazing potential our province holds.

The changes we are seeing in the economy and in the workplace have brought significant opportunities as well. The Health & Safety Leadership Charter is one such opportunity. Your Board is proud to support the Charter initiative. We believe it is a leading example of the theme of this annual report: Mission: Zero – Within Reach. It is our greatest hope that the Charter builds a community of leaders intent on making their businesses and communities safer places to work and live. Their efforts, multiplied over and over again as this initiative grows in membership and scope, brings an injury-free Saskatchewan closer every day.

The Charter is just one way that we stayed true to our vision and long-term strategic plan. Delivering service excellence continues to be our priority focus along with compensation and injury prevention programs and services that will move Saskatchewan to zero workplace injuries. This has been the impetus behind Mission: Zero, our drive to make workplace injuries a thing of the past.

Our entire organization has a firm belief in Mission: Zero. We will continue to make it our flagship initiative as we work with you to reduce the human and economic hardships and suffering brought on by workplace injuries – every one of which is both predictable and preventable. We will continue to partner with businesses and labour leaders so that our common efforts can one day achieve Mission: Zero across Saskatchewan.

Looking back on 2010, we would be remiss not to express our sincere thanks to our partners and stakeholders for the trust and confidence you placed in us again this year. This is especially true when it comes to WorkSafe Saskatchewan, our partnership with the Ministry of Labour Relations and Workplace Safety. Working together, we are offering the tools and services that you need to eliminate workplace injuries.

To Saskatchewan's 40,000 registered employers, to our 370,000 insured workers, to the medical community, to our partner associations, to community leaders, and to our valued employees at the WCB – we say thank you. It is our honour and privilege to serve you.

the wcb board:

STRUCTURE, MANDATE AND ROLE

The Saskatchewan Workers' Compensation Board (WCB) is an independent tribunal that administers *The Workers' Compensation Act, 1979* (the Act).

The WCB operates in a manner similar to an insurance company, protecting registered employers from lawsuits when a workplace injury occurs, and providing guaranteed benefits and programs to injured workers in industries covered by the Act. Its costs are funded entirely by Saskatchewan employers in covered industries, through premiums that are based on their industry's injury frequency and costs. Any worker in an industry covered by the Act is eligible for benefits and programs in the event of a work injury or work illness. Any employer in an industry covered by the Act must register with the WCB and pay invoiced premiums.

Over 40,000 firms with more than 370,000 workers registered with the WCB in 2010. In recent years, the WCB annually receives and accepts about 35,000 injury claims. About one-third of accepted claims will be for Time Loss injuries, meaning that the injury required the worker to be absent from work beyond the day of injury. Just over \$228 million was spent on worker benefits and programs in 2010.

BOARD STRUCTURE

The WCB is governed by a three person Board: a Chairperson, and two Board Members appointed by the provincial government in consultation with business and labour organizations. The Board Members operate as a governance board.

David Eberle was appointed Chairperson of the WCB in March 2008. Born and raised in Saskatchewan, Mr. Eberle practiced law in Melfort and Humboldt. He was General Counsel

and a member of the Senior Management Team at Humboldt Flour Mills until it was sold in 1998. David and his wife continue to live in Humboldt, where they have a family business. Always an active community volunteer, David has been a school trustee, a board member for local service and sports clubs, chaired many fundraising projects, and is a former board member of the St. Elizabeth's Hospital Foundation.

Karen Smith is the employer representative at the WCB, first appointed in June 2005. Her professional background includes Director of Employee Benefit Plans for the Saskatchewan School Boards Association. Ms. Smith is active in the business community, and served as the employer representative on the WCB's former Early Intervention Program Advisory Committee and as a member of the Human Resources Committee for the Saskatchewan Chamber of Commerce. She is a former board member of the Saskatchewan Assessment Management Agency and of several community organizations, a former member of council for the Village of Buena Vista, and a life member of the Provincial Association of Resort Communities of Saskatchewan.

Walter Eberle was first appointed to the WCB Board as the labour representative in December 2001. Prior to his appointment, Mr. Eberle was a member of the 2001 Workers' Compensation Act Committee of Review. Walter spent 22 years as a staff representative at the Grain Services Union and served on a number of committees with the Canadian Labour Congress and the Saskatchewan Federation of Labour. His early career included four years in the Royal Canadian Navy, two years with SaskPower, and 15 years with the former Saskatchewan Wheat Pool. He also served as a project coordinator for the development and operation of an occupational health and safety research centre in Mozambique. The project began in 1987 and the centre continues today.

Working together, the Board determines the WCB's broad strategic imperatives and ensures the appropriate oversight of WCB operations and financial and operational performance.

BOARD MANDATE AND RESPONSIBILITIES

Governing the WCB requires the Board to:

1. Provide stewardship and direction through long range objectives and policies.
2. Recommend legislative change to the provincial government.
3. Safeguard the WCB's resources and assets.
4. Monitor the WCB's performance.
5. Report to stakeholders.
6. Hear and decide final appeals on employer classifications or compensation and benefit decisions.

Saskatchewan is the only Canadian workers' compensation system with a full-time Board. The Chairperson and Board Members fulfill their responsibilities through committees of the Board, regular and formal meetings of the Board and between the Board and the WCB's Chief Executive Officer (CEO), and by requiring and receiving regular formal reports that monitor the WCB's financial and operational performance. Through the Board Administrative Tribunal, they also review and decide on more than 200 final level appeals each year, and approve new or amended policies throughout the year.

Governing the WCB, and providing the appropriate level of oversight, requires that the Board acquire and maintain skills and knowledge appropriate to their tasks. Board Members:

- Attend industry congresses and symposiums organized by the Association of Workers' Compensation Boards of Canada.
- Attend courses and events from the Canadian Council of Administrative Tribunals that focus on topics like best practices for administrative tribunals.
- Take training offered through the Foundation of Administrative Justice on best and leading practices, and topics like interpreting legislation, decision writing, and effective hearings.
- Participate in The Directors' Series offered by Deloitte which focuses on market reforms, financial reporting requirements, and governance challenges.
- Attend educational conferences organized by the International Association of Industrial Accident Boards and Commissions.
- Attend professional development programs and workshops through the Directors' College, a joint venture of McMaster University and The Conference Board of Canada.
- Attend professional development programs through the Institute of Corporate Directors, a joint venture with the Rotman School of Management.

A GOVERNANCE FRAMEWORK THAT DEFINES ACCOUNTABILITY

The Board recognizes the importance of a clearly defined governance framework to support their accountabilities as stewards of the workers' compensation system. The Board's first governance policy was approved in 2000. The policy is reviewed periodically by the Board. A formal review was completed in late-2007 by Deloitte, favourably comparing the WCB's policy with the best and leading practices of other organizations or those recommended by professional associations.

Elements within the Board's governance structure that define and chart how accountabilities will be met include:

1. WCB Investment Committee

Fundamental to Saskatchewan's workers' compensation system is the guarantee to workers that benefits and programs will be available if and when they are needed. To back up that guarantee, the WCB is required to be fully-funded, that is, to have the financial resources available to pay the cost of benefits and programs for all injury claims in the compensation system for the life of the claims. Termed the WCB's benefits liabilities, the amount needed at the end of 2010 to meet future costs was \$1,021 million. Investment assets, the financial resources that back up the guarantee to workers, were valued at \$1,412 million at the end of 2010.

The WCB Investment Committee, comprised of the three Board Members, with the WCB's CEO and Vice President of Prevention, Finance and IT serving in *ex officio* roles, oversees the WCB's financial policies and investments. The Investment

Committee is prudent in its policies, goals and objectives to ensure the stability of the WCB. The Committee recommends to the Board the approval of the WCB's Statement of Investment Policies and Goals and the appointment of the investment managers, and monitors the performance of the investment managers against the benchmarks established in the Statement of Investment Policies and Goals.

In discharging its responsibilities, the Investment Committee meets quarterly to review investment performance and annually to review the Statement of Investment Policies and Goals, engages a financial consultant to monitor and advise on the performance of investment managers, and participates in ongoing training of investing and investment management.

2. WCB Audit Committee

The Board, with the WCB's CEO serving in an *ex officio* capacity, serves as the WCB Audit Committee. The role of the Committee is oversight.

The Committee:

- Annually reviews the Committee mandate and conducts ongoing training in financial literacy.
- Monitors the auditing, accounting and financial reporting processes.
- Reviews the annual audited financial statements and related disclosures, including the Management Discussion and Analysis.
- Ensures compliance with legal and regulatory requirements; also ensures and periodically reviews internal controls on finance, accounting and legal compliance.
- Reviews and monitors the independent auditors appointed by the Board.
- Ensures the independence and performance of the Internal Audit Department and external auditors.
- Ensures communication among WCB Board Members, WCB management, the Internal Audit Department, and external auditors.
- Meets privately with WCB executive management, the Internal Audit Department, the Provincial Auditor, the external auditor and the external actuary.

Through the Committee, the Board also ensures that management practices and programs are in place to identify, monitor and manage risks to the operation of the WCB.

The Committee's role does not relieve WCB management of its responsibilities for preparing financial statements that accurately and fairly present the WCB's financial results and condition or the responsibilities of the independent accountants relating to the audit or review of financial statements.

3. Setting Strategy, Monitoring Performance

The WCB's Strategic Plan and broad organizational goals and objectives are set out by the Board. This includes an annual review of the WCB's vision, mission, principles and beliefs, values and strategy statements.

Annually the CEO must submit an operating plan for Board approval. Regular management reports on progress towards the plan are supplied to the Board Members.

The annual Strategic and Operational Plan is published and forms part of required reporting at the WCB's Annual General Meeting. The Saskatchewan WCB was the first Canadian compensation board to hold annual stakeholder meetings as part of its governance and accountability framework.

4. Budget and Employer Rate Approvals

The CEO prepares an annual budget for Board approval. Monthly reports are provided to the Board, with variance explanations when financial targets are not met.

Employer premium rates are set through a rigorous process that includes the advice and oversight of an external actuary. Once the proposed rates have been presented to stakeholder groups, and those groups have had an opportunity to address concerns to the Board, the rates are approved by the Board.

5. Code of Conduct

Effective governance recognizes that boards of directors have a responsibility to influence the culture of the organizations they govern. The WCB's Board adopted a Code of Conduct in 2000 that serves as a guideline when conducting the business of the WCB.

The Code of Conduct established a set of principles, foremost among them being an obligation of accountability to *'... workers, employers, the general public and government. This obligation includes the competent, conscientious and effective accomplishment of the duties of the Board.'*

Other principles include a focus on strategic direction, decisions that serve the best interests of all stakeholders, monitoring and reporting on the WCB's performance, and ensuring the capability of governance through the continuing development and education of Board Members.

At the direction of the Board, WCB management developed a corporate code of conduct and ethics in 2006 that reflects the Board's own Code of Conduct, and that is intended to guide employees in their decisions and actions. Management monitors and reports on employee compliance with the corporate code.

6. Fair Practices Office (FPO)

The Board established a Fair Practices Office in 2003 to operate as "an organizational Ombudsman's office addressing issues of service delivery raised by workers, employers and external service providers." In addition to resolving concerns about fairness, the FPO may identify complaint trends, policy matters and systemic issues and make recommendations for improvements. The FPO is an independent office and reports directly to the Board.

SETTING HIGH STANDARDS; EXPECTING RESULTS

As stewards of the workers' compensation system, the Board expects management to meet high performance standards and holds the organization to a reporting standard that ensures transparency for stakeholders.

Financial performance is monitored through the Board's committee structure, regular management reporting against budget and other financial targets, and ensuring compliance with financial reporting and accounting standards. Reporting on financial performance is part of regular stakeholder events like the WCB's Annual General Meeting and annual rate setting meetings, and through the WCB's annual report.

Program and management performance is measured through a corporate Balanced Scorecard that tracks the WCB's achievement of the Strategic Plan set by the Board. The WCB has been publishing its Balanced Scorecard as part of its annual reports since 1999. Metrics include worker and employer service satisfaction measures, time to first payment after an injury, time to

process appeals, stability of employer premium rates, fully funded status, the injury rate, and program metrics like administration cost per Time Loss claim, and the percentage of injured workers who return to work.

Another initiative implemented by the Board ensures that the WCB's policies and procedures are reviewed regularly and amended when required. The initiative requires that each policy and its operating procedure are reviewed by management at least once every three years.

The Board and the WCB's executive management recognize that compliance with legislation and policies, and effective and efficient operations, require continual monitoring of operations and, in particular, key work processes. In addition to the controls referenced earlier, this is achieved through:

- Quality control processes that start with front-line teams administering claims and include file reviews by Team Leaders for completeness and accuracy. The WCB's Team Support Department provides another element of quality assurance control through random file reviews of short-term and long-term injury claims, payments and vocational rehabilitation files.
- An Internal Audit Department that provides independent, objective assurance and consulting to the Audit Committee of the Board and to management and that evaluates processes for risk management, internal control and governance.
- An appeals process that provides injured workers and employers with an objective review of WCB decisions and actions. Appeals can be heard and considered by the Appeals Department, the Assessment Committee, and by Board Members.
- A Fair Practices Office that receives concerns related to the fairness of WCB actions and decisions, and where appropriate, forwards recommendations to WCB managers to resolve concerns.

Please visit the WCB's website at www.wcbask.com for more information on Board governance, the WCB's operations and performance, and to view the WCB's 2010 Stakeholder Report and the 2010 Annual Report of the WCB's Fair Practices Office.

message from the executive

WE HAVE LONG SAID THAT THE GREATEST OPPORTUNITY TO INFLUENCE EMPLOYER PREMIUMS AND WCB COSTS IS THROUGH INJURY PREVENTION. OUR 2010 RESULTS PROVE THIS.



PETER FEDERKO
Chief Executive
Officer

GAIL KRUGER
Vice-President,
Prevention, Finance
and Information
Technology

GRAHAM TOPP
Vice-President,
Operations

DONNA KANE
Vice-President,
Human Resources
and Team Support

In 2010, the focus of operations at your WCB continued to be on practicing the kind of leadership that produces some of the best strategic and operational results among Canadian compensation systems. Saskatchewan's declining injury rate and improved global investment returns for the WCB made for a successful year.

Service and operational excellence remained our strategic goals in 2010. Our Balanced Scorecard in this report describes our performance against those goals. On every measure we can see how staying true to our course is paying dividends. Whether considering our service, financial, operations or human resource metrics, we continue to safeguard the long-term future of your WCB through stable employer premiums and worker benefits.

We are pleased to share credit with you for undoubtedly the most noteworthy accomplishment of the past year – a lower injury rate that surpassed both our 2010 and 2011 targets. At 3.12 per cent, the injury rate is at its lowest level in more than two decades. This is an extraordinary accomplishment and one we know was only possible with your dedication to eliminating injury and harm in Saskatchewan workplaces.

We have long said that the greatest opportunity to influence employer premiums and WCB costs is through injury prevention. Our 2010 results prove this. With a steadily dropping injury rate and falling compensation costs, the average employer premium fell in 2011 to its lowest rate in a decade. Driven in part by 20,000 fewer compensation days paid and administration costs that are about the same as in 2009, we posted a \$12.1 million operating surplus at the end of 2010.

Improvements to the injury rate and fewer compensation days paid do not mean that we can ignore the management of other aspects of our operations. For example, the success we have seen with our enhanced return to work programs contributed significantly to the stability we saw this past year, with the number of long term claims dropping overall. Still, our durations persist at 2009 levels despite fewer claims. This is a concern we will follow and manage closely.

Other ongoing concerns are the volatility of investment markets and growth in medical costs. And while we have made

tremendous progress towards Mission Zero, we are mindful that other jurisdictions are seeing progress too. We anticipate that our 2010 injury rate will again be the second worst in Canada. With you, our efforts will continue until we achieve *zero injuries, zero fatalities, and zero suffering*.

This annual report captures year-end results on financial and operational measures that represent the broad scope of our services and performance. The Management Discussion and Analysis (MD&A) describes these measures and our results in greater detail. Please take the time to review the MD&A and contact us if you have any comments or questions.

Managing and guiding an organization the size and scope of the Saskatchewan Workers' Compensation Board presents many challenges over the course of a year. None of our results would have been achieved without the commitment of our many stakeholders to our critical prevention and return to work goals. Thank you for your contributions. We also acknowledge the dedication, hard work and professionalism of our entire WCB staff. Without them our 2010 results would not have been possible.

HEALTH + SAFETY

leadership charter

THIS CHARTER IS INTENDED TO SUPPORT THE CONTINUOUS IMPROVEMENT OF HEALTHY AND SAFE WORKPLACES. IT IS FOUNDED ON THE PRINCIPLE THAT THE EFFECTIVE MANAGEMENT OF HEALTH, SAFETY AND WELLNESS IS ESSENTIAL TO THE OPERATION OF A SUCCESSFUL BUSINESS. PARTICIPATION IN THIS CHARTER IS A VISIBLE COMMITMENT FROM BUSINESS AND COMMUNITY LEADERS TO ACTIVELY PARTICIPATE WITHIN A LEARNING COMMUNITY THAT PROVIDES AND RECEIVES BEST PRACTICES FOR THE ENHANCEMENT OF EMPLOYEE PHYSICAL, SOCIAL AND MENTAL WELL-BEING. THE BENEFITS WILL BE REALIZED AS THIS LEARNING IS INTEGRATED AND APPLIED INTO ORGANIZATIONAL BUSINESS STRATEGIES, SYSTEMS, AND PROCESSES.

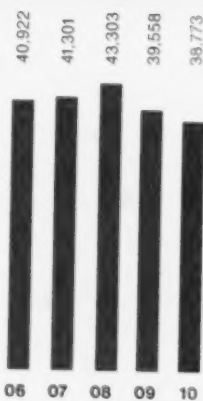
- 1 To subscribe to the principle that nothing is more important than the health, safety and well-being of employees, contractors, clients, customers, visitors and, if and whenever possible, the surrounding community.
- 2 To integrate health and safety into business strategies, processes and performance measures, and to recognize that good health and safety performance supports good business results.
- 3 To effectively manage health and safety risks by eliminating, minimizing or controlling hazards.
- 4 To strive for continuous health and safety improvement and to provide the leadership and internal capacity to make this happen.
- 5 To provide an environment that enables all employees to participate and work collaboratively in developing, promoting, and improving health and safety at work.
- 6 To extend health and safety efforts, if and whenever possible, beyond the workplace, recognizing and supporting related initiatives within the community.
- 7 To participate within a health and safety leadership learning community, by providing and receiving information and best practices, with the goal of continuously improving health and safety strategies, programming and performances.



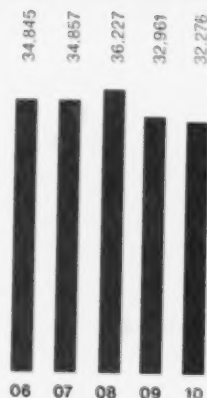
On June 10th, 2010, 129 business leaders from across Saskatchewan stood up to declare their support for workplace safety and the goals of Mission: Zero. Together they participated in the inaugural signing of Saskatchewan's first ever Health and Safety Leadership Charter. Two subsequent events were held, bringing the total number of signatory companies to 196. A 2011 event is scheduled for June 9 in Saskatoon.

statistical summary

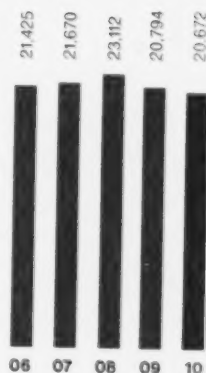
CLAIMS REPORTED¹



CLAIMS ACCEPTED²



NO TIME LOSS CLAIMS³



1 Claims Reported: New claims reported to the WCB in the current year, both accepted and unaccepted. Includes claims for self-insured employers. Additional claims reported information can be found on the WCB's website, www.wcbask.com.

2 Claims Accepted includes Time Loss, No Time Loss and current year fatality claims. Excludes claims for self-insured employers.

3 Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims for self-insured employers, not covered under the Act, not work related, still pending, and/or duplicated within the system.

4 Based on claims reported prior to the year, but accepted by the WCB in the year. Excludes claims for self-insured employers, claims not covered under the Act, not work related, still pending, and/or duplicated within the system.

TIME LOSS CLAIMS⁴



FATALITIES



UNACCEPTED CLAIMS⁵



5 Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is at February 1, 2011 for 2010 claims reported. Claims are not accepted when the industry is not covered by The Workers' Compensation Act, 1979, a claim is not work related, or no further information is received following the initial report of the injury. Total may not equal due to rounding.

■ In Year^{*}

■ Prior to Year^{*}

* Excludes claims for self-insured employers. There was 1 in 2010, 2 in 2009, 0 in 2008, 1 in 2007, and 4 in 2006.

■ Not Work Related

■ Not Covered Under Act

■ No Further Information

2010 TOP FIVE RATE CODES WITH INJURIES*

Rate Code	Number of Claims Reported
G22 Health Authorities, Hospitals, Care Homes	5,034
C32 Grocery, Department Store, Hardware	1,617
B13 Commercial, Industrial Construction	1,552
G31 Cities, Towns, Villages, RMs	1,399
T42 Transportation, Courier, Commercial Bus	1,385

* All claims reported and accepted in 2010.

2010 TOP FIVE OCCUPATIONS WITH INJURIES*

Occupation	Number of Claims Reported
Nurse aides, orderlies and patient service associates	1,676
Truck drivers	1,318
Retail salespersons and sales clerks	1,093
Welders and related machine operators	1,072
Construction trades helpers and labourers	970

* All claims reported and accepted in 2010.

2010 TOP FIVE AREAS OF INJURY*

Body Part	Number of Claims Reported
Back	5,716
Fingers	4,602
Eyes	2,170
Shoulder	2,004
Knees	1,907

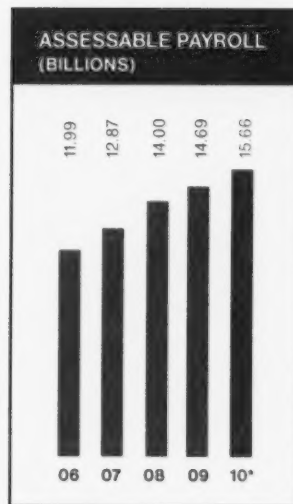
* All claims reported and accepted in 2010.

2010 INJURIES BY AGE & GENDER*

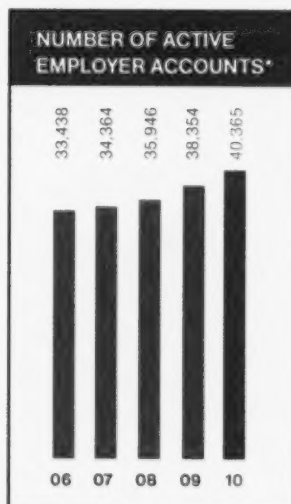
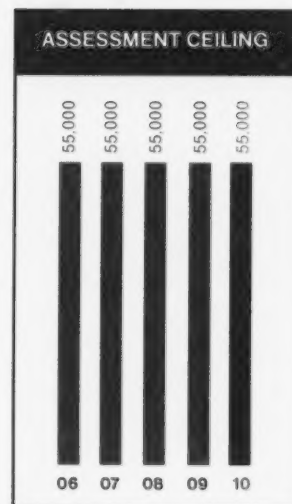
Age	Male	Female	Unknown Gender**	Total
Under 25	4,674	1,537	6	6,217
25 - 34	5,509	2,088	7	7,604
35 - 44	4,155	2,354	2	6,511
45 - 54	4,302	3,225	1	7,528
55 - 64	2,266	1,618	2	3,886
65 & Over	375	130	0	505
Unknown Age**	11	13	1	25
Total	21,292	10,965	19	32,276

* All claims reported and accepted in 2010.

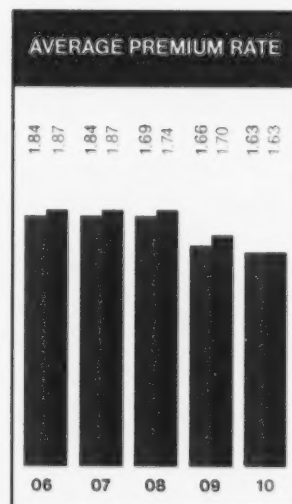
** At time of publication there were 19 claims with unknown gender and 25 claims with unknown ages.



* Payroll provisional as at December 31st.
Previous year's figures have been updated to reflect actual assessment payroll.



* Active employers excludes employers whose assessment accounts were finalized during the year.



■ Average Provisional
Premium Rate*

■ Average Actual
Premium Rate**

* Average Board-approved premium rates are based on anticipated reported payroll at the beginning of the fiscal year.

** This rate consists of the base rate net of experience rating.
2010 rate was the Board-approved rate at time of publication.

injury rates

RATE CODE	DESCRIPTION	% OF WORKERS INJURED WITH TIME LOSS					% OF WORKERS INJURED				
		2010	2009	2008	2007	2006	2010	2009	2008	2007	2006
All Class*		3.12%	3.44%	3.70%	3.80%	4.05%	8.70%	9.32%	10.21%	9.87%	10.18%
A11	Light Agricultural Operations	8.75%	8.16%	9.83%	9.18%	10.41%	18.95%	20.36%	22.53%	21.89%	24.57%
A21	Farming & Ranching	2.59%	4.12%	2.79%	5.31%	4.44%	6.76%	7.79%	7.66%	8.99%	8.16%
A31	Grain Elevators & Inland Terminals	1.36%	1.23%	1.34%	1.18%	1.06%	4.52%	4.75%	4.09%	3.24%	3.56%
B11	Construction Trades	4.60%	5.75%	6.46%	7.19%	7.53%	15.66%	17.64%	20.33%	18.68%	20.53%
B12	Residential Construction	5.52%	5.84%	8.23%	9.70%	8.79%	16.02%	16.12%	23.98%	22.46%	21.92%
B13	Commercial, Industrial Construction	3.31%	4.37%	7.38%	6.57%	7.05%	14.56%	16.62%	24.40%	21.72%	22.55%
C12	Light Commodity Marketing	1.19%	1.88%	1.44%	1.57%	1.35%	3.33%	4.36%	3.81%	4.04%	3.71%
C32	Grocery, Department Stores, Hardware	2.93%	2.82%	2.87%	3.14%	3.37%	7.75%	7.77%	8.13%	8.14%	8.55%
C33	Wholesale, Chain Stores	4.41%	4.83%	5.33%	5.87%	6.45%	10.40%	11.77%	12.69%	13.21%	14.77%
C41	Co-operative Associations	4.14%	4.19%	4.27%	4.11%	4.54%	10.57%	11.75%	11.76%	10.15%	10.70%
C51	Lumber Yard, Builders Supplies	4.96%	4.17%	6.01%	6.23%	6.01%	11.91%	11.73%	14.80%	14.58%	13.56%
C61	Automotive, Implement Sales & Service	2.10%	2.49%	2.35%	2.35%	2.40%	5.75%	6.38%	6.78%	6.46%	6.81%
C62	Automotive Service Shops, Towing	2.36%	2.91%	3.31%	3.72%	3.87%	8.77%	9.44%	10.49%	11.80%	11.95%
D32	Operation of Oilwells	0.76%	0.97%	0.73%	1.21%	0.82%	3.81%	4.22%	3.12%	4.60%	3.42%
D41	Oilwell Servicing	3.82%	2.98%	3.78%	3.74%	4.44%	17.49%	13.30%	15.40%	14.02%	14.81%
D51	Service Rigs, Water Well Drilling	2.96%	2.20%	4.90%	2.77%	3.12%	18.16%	16.57%	21.80%	17.31%	20.90%
D52	Seismic Drilling	1.93%	1.60%	3.45%	3.11%	3.66%	15.07%	10.27%	21.49%	17.00%	17.35%
D71	Open Pit Mining	0.69%	0.50%	0.93%	1.08%	0.68%	9.95%	13.86%	10.87%	12.00%	11.07%
D72	Underground Softrock Mining	1.27%	1.62%	2.05%	1.39%	1.22%	10.94%	10.35%	11.55%	8.68%	8.73%
D73	Underground Hardrock Mining	1.17%	1.36%	2.38%	2.79%	3.17%	12.52%	11.10%	11.78%	10.32%	12.32%
F41**	Forestry Operations	4.40%	5.11%	5.23%	4.27%	6.11%	12.05%	10.21%	12.12%	7.25%	6.64%
G11	Post Secondary Education	1.33%	1.38%	1.36%	1.36%	1.95%	3.80%	3.70%	3.66%	3.63%	4.43%
G12	Elementary & Secondary Education	3.16%	3.19%	3.53%	2.88%	3.67%	7.15%	7.41%	8.04%	7.54%	7.65%
G22	Health Authorities, Hospitals, Care Homes	5.85%	6.12%	6.12%	6.26%	6.31%	12.60%	13.08%	13.21%	12.78%	12.09%
G31	Cities, Towns, Villages, RMs	5.04%	5.59%	5.28%	4.97%	5.43%	12.11%	14.15%	14.36%	14.21%	14.38%
G51	Government of Saskatchewan & Ministries	3.13%	3.23%	3.05%	3.02%	3.75%	7.58%	8.11%	7.79%	7.41%	8.41%
M31	Manufacturing, Pipeline Operations	0.82%	1.17%	1.95%	1.47%	1.36%	2.91%	3.43%	4.38%	3.83%	4.39%
M33	Refineries & Upgrader	1.37%	1.31%	1.46%	0.78%	1.15%	5.58%	4.51%	4.89%	4.98%	4.69%
M41	Dairy Products, Soft Drinks	8.44%	10.89%	14.01%	12.14%	10.20%	21.38%	26.11%	22.57%	18.57%	19.68%
M42	Bakeries, Food Prep & Packaging	4.03%	4.46%	2.78%	2.59%	2.87%	11.03%	13.38%	10.34%	8.68%	10.47%
M62	Mills, Semi Medium Manufacturing	6.94%	9.64%	9.41%	10.29%	11.59%	17.04%	21.95%	25.15%	25.44%	27.18%
M72	Processing Meat, Poultry & Fish	6.11%	6.91%	11.97%	10.24%	12.32%	21.51%	24.46%	41.74%	35.83%	38.43%
M81	Metal Foundries & Mills	2.58%	2.00%	2.37%	2.33%	3.19%	11.01%	10.56%	13.36%	11.94%	12.66%
M91	Agricultural Equipment	5.27%	6.72%	10.30%	9.66%	11.94%	18.57%	22.19%	29.89%	29.80%	30.22%
M92	Machine Shops, Manufacturing	6.37%	7.25%	9.34%	11.15%	12.87%	19.12%	20.64%	28.56%	28.41%	30.88%
M94	Iron and Steel Fabrication	7.18%	7.96%	11.01%	14.27%	16.11%	24.22%	24.02%	41.26%	43.92%	46.73%
R11	Road Construction & Earthwork	2.64%	2.03%	3.76%	4.07%	4.29%	9.95%	7.99%	12.24%	11.63%	12.54%
S11	Legal Offices, Financial, Drafting	0.31%	0.32%	0.38%	0.26%	0.37%	0.59%	0.77%	0.89%	0.72%	0.75%
S12	Offices, Professionals	0.64%	0.61%	0.68%	0.75%	0.92%	1.80%	1.83%	2.01%	2.00%	2.20%
S21	Community & Social Services	1.47%	1.51%	1.39%	1.91%	1.88%	3.75%	3.81%	3.74%	4.06%	4.60%
S22	Restaurants, Catering, Dry Cleaning	1.41%	1.63%	1.87%	2.00%	1.92%	4.46%	4.87%	5.72%	6.20%	6.45%
S23	Hotels, Motels, Taxis	2.24%	2.70%	2.44%	2.71%	2.80%	5.79%	6.17%	6.43%	5.84%	6.87%
S32	Personal, Business & Leisure Services	3.63%	3.74%	3.47%	3.79%	3.07%	11.52%	12.93%	10.06%	10.24%	8.44%
S33	Caretaking, Park Authorities	2.37%	2.59%	2.48%	3.32%	4.21%	5.90%	6.48%	5.99%	8.03%	8.92%
S41	Engineering, Testing & Surveying	0.61%	0.77%	0.65%	0.69%	0.71%	2.32%	2.51%	2.98%	2.69%	2.41%
T42	Transportation, Courier, Commercial Bus	6.32%	7.17%	5.91%	6.41%	7.74%	13.29%	14.45%	13.18%	13.39%	14.90%
T51	Operation of Railways	2.06%	2.38%	1.97%	2.18%	1.89%	5.23%	5.34%	5.18%	5.31%	5.72%
T61	Commercial Air Transportation	2.11%	1.19%	1.89%	1.90%	2.14%	6.21%	5.51%	7.68%	7.97%	8.84%
U11	Telecommunications	2.38%	1.96%	1.80%	1.38%	2.11%	4.32%	4.07%	3.58%	3.16%	3.88%
U31	Electric Systems	2.48%	1.67%	1.80%	1.95%	1.76%	5.64%	6.76%	6.38%	6.77%	5.77%

Injury Rates equals the number of claims divided by the number of workers covered.

Number of workers covered is calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code.

* All Class Injury Rates excludes self-insured claims and workers.

** In 2009 there was a rate code reclassification in class F. For years prior to 2009 the injury rates shown are those calculated under the new classification scheme.

claim durations

RATE CODE	DESCRIPTION	AVERAGE DURATION IN DAYS				
		2010	2009	2008	2007	2006
All Class*		34.67	34.10	33.11	32.08	33.49
A11	Light Agricultural Operations	33.29	31.30	36.97	27.84	34.74
A21	Farming & Ranching	54.28	51.86	55.33	72.54	61.46
A31	Grain Elevators & Inland Terminals	17.52	13.15	22.59	29.56	39.78
B11	Construction Trades	27.21	30.19	26.69	26.71	35.39
B12	Residential Construction	46.11	47.28	42.46	38.23	45.49
B13	Commercial, Industrial Construction	54.98	49.49	46.40	44.02	56.93
C12	Light Commodity Marketing	27.64	26.92	27.32	29.07	28.65
C32	Grocery, Department Stores, Hardware	31.08	26.12	27.39	27.22	26.11
C33	Wholesale, Chain Stores	26.15	23.50	29.65	23.98	24.72
C41	Co-operative Associations	27.79	27.12	27.46	25.02	24.04
C51	Lumber Yard, Builders Supplies	31.10	27.92	23.59	24.20	25.92
C61	Automotive, Implement Sales & Service	31.45	29.93	27.72	30.06	26.78
C62	Automotive Service Shops, Towing	45.68	36.39	33.26	22.95	36.97
D32	Operation of Oilwells	31.74	40.10	30.06	33.53	51.19
D41	Oilwell Servicing	55.93	71.07	54.18	54.44	44.75
D51	Service Rigs, Water Well Drilling	66.09	92.54	52.47	71.53	81.42
D52	Seismic Drilling	83.33	73.01	49.92	60.34	50.75
D71	Open Pit Mining	61.35	46.44	41.39	27.24	75.21
D72	Underground Softrock Mining	52.63	62.92	49.88	40.13	39.12
D73	Underground Hardrock Mining	76.45	71.20	63.22	40.02	36.82
F41**	Forestry Operations	70.74	64.59	62.24	64.84	42.31
G11	Post Secondary Education	36.85	19.21	25.69	20.18	26.24
G12	Elementary & Secondary Education	31.05	34.29	36.38	34.37	30.89
G22	Health Authorities, Hospitals, Care Homes	27.74	29.38	29.25	28.03	32.01
G31	Cities, Towns, Villages, RMs	24.27	26.88	28.95	29.06	26.77
G51	Government of Saskatchewan & Ministries	43.60	36.07	34.48	37.31	36.43
M31	Manufacturing, Pipeline Operations	16.60	19.95	8.28	20.49	13.02
M33	Refineries & Upgrader	31.69	30.35	39.16	31.43	31.90
M41	Dairy Products, Soft Drinks	22.62	17.73	21.08	14.78	17.63
M42	Bakeries, Food Prep & Packaging	28.54	25.37	28.08	28.73	31.62
M62	Mills, Semi-Medium Manufacturing	28.39	31.52	23.58	26.84	24.11
M72	Processing Meat, Poultry & Fish	35.36	32.72	28.66	36.67	30.11
M81	Metal Foundries & Mills	32.98	40.02	36.07	50.80	23.29
M91	Agricultural Equipment	25.66	25.75	19.77	20.98	16.36
M92	Machine Shops, Manufacturing	27.63	28.63	24.16	22.93	25.85
M94	Iron and Steel Fabrication	38.06	32.52	23.48	23.63	20.89
R11	Road Construction & Earthwork	59.10	57.12	49.24	52.84	53.48
S11	Legal Offices, Financial, Drafting	18.69	16.86	30.47	34.91	24.17
S12	Offices, Professionals	28.64	28.01	32.00	29.16	33.17
S21	Community & Social Services	27.18	23.49	26.54	27.86	25.68
S22	Restaurants, Catering, Dry Cleaning	28.52	29.24	27.16	25.76	27.72
S23	Hotels, Motels, Taxis	29.31	32.84	39.59	27.30	38.40
S32	Personal, Business & Leisure Services	30.62	28.06	34.81	30.58	32.70
S33	Caretaking, Park Authorities	30.21	38.83	38.34	34.15	40.33
S41	Engineering, Testing & Surveying	39.24	36.34	34.14	25.02	33.97
T42	Transportation, Courier, Commercial Bus	53.88	51.18	52.98	51.04	48.18
T51	Operation of Railways	49.10	61.04	52.30	51.91	57.50
T61	Commercial Air Transportation	34.44	49.67	38.47	34.98	32.06
U11	Telecommunications	23.27	21.66	30.35	31.96	23.60
U31	Electric Systems	17.12	19.62	19.97	36.20	17.86

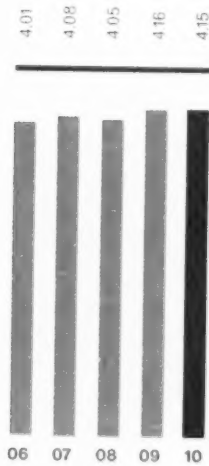
Average duration in days equals total days lost divided by claims with time lost

* All Class Durations excludes self-insured claims and workers

** In 2009 there was a rate code reclassification in class F. For years prior to 2009 the average days shown are those calculated under the new classification scheme

balanced scorecard

STAKEHOLDERS



WORKER SERVICE FEEDBACK

■ Measure — Target 4.75

WORKER SATISFACTION

Shows injured worker satisfaction with WCB services, using a quarterly random survey of claimants. A rating of 4 or above indicates that overall, workers are satisfied with the quality of service provided by the WCB.

2010's average satisfaction for workers was 4.15 out of 5.0.



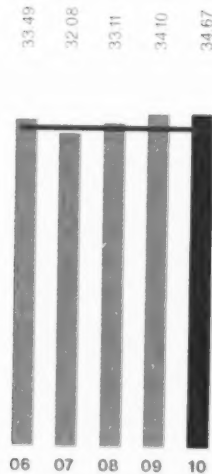
EMPLOYER FEEDBACK

■ Measure — Target 4.75

EMPLOYER SATISFACTION

Shows employer satisfaction with WCB services using a quarterly random survey. A rating of 4 or higher indicates that overall, employers are satisfied with the quality of service provided by the WCB.

2010 average satisfaction for employers was 4.16 out of 5.0.



TIME LOSS CLAIM DURATION

■ Measure — Target 32.35

CLAIMS

Indicates the average number of days paid for Time Loss claims, represented by all Time Loss claims paid within a 12-month period.

The 8 per cent increase in duration over the past four years indicates an increase in the severity of claims.

FINANCIAL



AVERAGE PREMIUM RATE

■ Measure

STABILITY OF RATES

Shows the change in employer rates over time.

2010's average Board - approved employer premium rate net of experience rating was \$1.63. This rate was 1.8 per cent lower than in 2009 and resulted in Saskatchewan continuing to have one of the lowest premium rates among provincial jurisdictions.



ADMINISTRATION COSTS PER TIME LOSS CLAIM

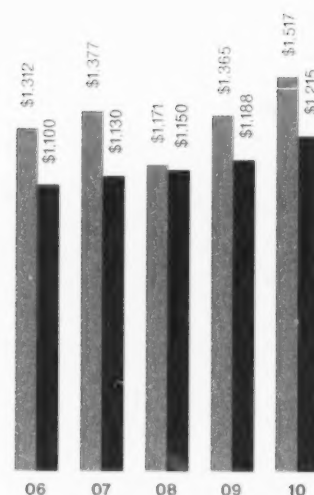
■ Measure

— 2010 Target \$3,627

ADMINISTRATION COSTS PER TIME LOSS CLAIM

Demonstrates the average cost of administering a Time Loss claim, an important measure of administrative efficiency.

Saskatchewan continues to be in the top quartile in Canada when using this indicator.



FULLY-FUNDED STATUS (millions)

■ Assets

■ Liabilities

FULLY-FUNDED STATUS

Illustrates the comparison between the WCB's assets and liabilities.

For 2010, assets were \$1,517 million and liabilities were \$1,215 million.

The WCB continues in its ability to fund 100 per cent of its legislated requirement.

balanced scorecard

INTERNAL



ACCURACY OF ENTITLEMENT DECISIONS

■ Measure — Target 95%

ACCURACY OF ENTITLEMENT DECISIONS

Independent quality assurance reviews are made to determine accuracy of entitlement decisions.

At 96 per cent, 2010's results surpassed the 95 per cent target.



RETURN TO WORK

■ Measure — Target 92%

RETURN TO WORK

Depicts the proportion of injured workers who have returned to work after being declared employable.

Based on all closed claims, 95 per cent of injured workers returned to work in 2010. The remainder either moved to long-term compensation, or did not return to work for reasons not related to their claim. This result exceeds the 92 per cent target.



TIME TO FIRST PAYMENT

■ Measure — Target 75%

INCOME REPLACEMENT

Shows the proportion of workers receiving their first wage loss cheque within 14 days of the date of injury.

By comparison, 77 per cent of eligible workers received their first cheque within 14 days of the date the WCB was notified of the injury.



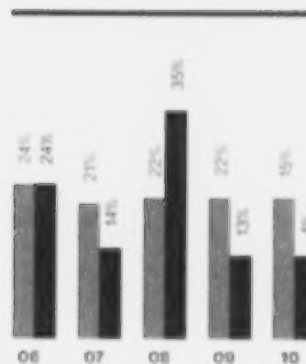
INJURY RATE

■ Measure
— 2010 Target 3.30%

INJURY RATE

Measures the number of Time Loss injuries per 100 workers.

The provincial injury rate continues to drop, reaching 3.12 per cent in 2010, a 37 per cent reduction since 2002, and surpassing targets for both 2010 and 2011.



TIME TO PROCESS APPEALS

■ Appeals Department
■ Board Appeals
— Target 50%

APPEALS

Depicts the length of time to process an appeal from the date it is received by the WCB until it is rendered.

The percentage of appeals processed by the Appeals Department within the targeted time frame decreased due to the increase in the total number of appeals received in 2010.

In 2010 the number of Board appeals processed was up slightly. Restructuring saw the addition of a new position to address the difficulty the Board was experiencing in meeting the target for turnaround time. The second half of 2010 saw improvements in this area with the number of files waiting to be reviewed declining significantly. This trend is expected to continue in 2011.

FOUNDATION



DEMONSTRATED COMPETENCE

■ Measure — Target 90%

DEMONSTRATED COMPETENCE

Indicates the percentage of employees demonstrating required competencies for their jobs.

Introduced in 2005, this measure has been consistent at 98 per cent year over year.



EMPLOYEE ENGAGEMENT

■ Measure — Target 106

EMPLOYEE ENGAGEMENT

The WCB introduced a new employee engagement survey in early 2010. The WCB now surveys employees every two years. This provides time to develop and implement initiatives that advance our culture. The next survey will be done in 2012 to determine engagement for 2010 and 2011.

management discussion and analysis

THE MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) IS THE RESPONSIBILITY OF MANAGEMENT AND IS INTENDED TO PROVIDE A NARRATIVE EXPLANATION OF THE SASKATCHEWAN WORKERS' COMPENSATION BOARD'S (WCB'S) FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2010. THE BOARD MEMBERS CARRY OUT THEIR REVIEW OF THE MD&A FOLLOWING A RECOMMENDATION FROM THE AUDIT COMMITTEE.

The MD&A should be read in conjunction with the audited financial statements and supporting notes as its purpose is to complement and supplement these documents. Forward-looking narrative statements contained in this discussion and analysis represent management's expectations based on information available as of March 3, 2011. Because forward-looking statements involve certain risks and uncertainties, actual future results may differ from those anticipated in this discussion.

BUSINESS OVERVIEW

The Workers' Compensation Act, 1979, (the Act) provides the WCB's operating authority and mandate. The WCB provides workplace injury insurance and services in Saskatchewan for industries covered by the Act. It is a monopoly, at arms-length from the provincial government, and operates as an administrative tribunal. It is responsible and accountable for decisions concerning entitlement to benefits that are guaranteed by legislation. Benefits can be income replacement, medical treatment (physician visits, prescriptions, hospital stays, surgeries and treatments, appliances and prosthetics), vocational rehabilitation and modifications to the workplace, home, or vehicle.

The WCB assists injured workers and their families through recovery and rehabilitation following a workplace injury. The WCB's goal is to return an injured worker to suitable employment as soon as it is medically safe to do so. In recent years, the WCB's mandate has evolved to include workplace safety and injury prevention programming.

The WCB raises funds for its operations through premiums paid by employers and from market returns on its investments. It reports to the legislature of Saskatchewan through the Minister Responsible for the Workers' Compensation Board.

The WCB's operations are guided by a Strategic and Operational Plan developed by the Board Members and executive management. The Strategic and Operational Plan is formally reviewed annually and defines strategic objectives and corporate initiatives in the following areas: Injury Prevention, Excellent Service, Effective Processes, Competent People and Financial Integrity. The Board Members receive quarterly reports on progress towards the Strategic and Operational Plan using Balanced Scorecard indicators. A detailed presentation of the Strategic and Operational Plan with key performance tracking measures can be found at www.wcbsask.com.

Services and programs in injury prevention originate in the Strategic and Operational Plan and in the WorkSafe Saskatchewan partnership with the Ministry of Labour Relations and Workplace Safety. The overriding strategic objective for the partnership is developing and delivering services that help Saskatchewan move quickly to zero workplace injuries. WorkSafe Saskatchewan has a strategic and operational plan that is reviewed each year. It can be viewed at www.worksafesask.ca.

The WCB may partner with other organizations to advance strategic objectives and serve the interests of workers or employers. For example, the WCB is a founding partner of Safe Saskatchewan, a non-profit organization dedicated to eliminating unintentional injuries. Working with Safe Saskatchewan, the WCB launched the Health & Safety Leadership Charter in June 2010 where the senior leaders of 129 organizations signed the charter, publicly declaring their commitment to the health and safety of their employees, customers, contractors, and the wider community. Two subsequent events were held: one in Saskatoon and one in Humboldt, bringing the total number of signatory companies to 196. A 2011 event is planned for June 9 in Saskatoon.

ENTERPRISE RISK MANAGEMENT

Enterprise risk management identifies risks to achieving strategic and operational success, and the controls in place to manage those risks. A risk register is used to rank the risks based on how well controls manage them. The WCB completes an annual risk register that is used as a reference in strategic and operational planning, budgeting and performance management cycles.

The most significant risks identified in 2010, and their controls were:

1. **Project Management** – Projects are undertaken at the WCB to accomplish its goals and objectives. Projects vary in complexity. There is risk that projects may fall short of expected targets, timelines and results if they are not properly planned, executed and monitored. Controls include training, prioritization, monthly reporting, and the operational planning process.
2. **Key Processes** – There are many processes within the WCB that are critical to the operation of the business. There is risk if these key processes are not identified, designed and executed effectively and efficiently. Controls include the corporate Balanced Scorecard, the budget process, quality assurance, quality control, automated systems development, and Internal Audit reviews.
3. **Workplace Injuries** – The WCB's focus is Mission: Zero. The WCB is working towards eliminating workplace injuries. There is a risk that the WCB is not effective in influencing the number of workplace injuries in Saskatchewan. Controls include the WorkSafe Saskatchewan and Safe Saskatchewan partnerships, experience rating, social marketing, and assistance to employers and other groups.
4. **Management Information** – Decisions at the WCB are largely based on the data and information in its systems. Inaccurate or incomplete information may significantly affect decisions. Controls include quality assurance and quality control, exception reporting, variance analysis, the external and internal actuaries, training, and automated systems.

2010 OPERATIONAL HIGHLIGHTS AND FUTURE PROSPECTS

PREVENTION OF WORK RELATED INJURIES

Time Loss Injury Rate -

2010: 3.12 per cent (2009: 3.44 per cent)

Total Claims Reported -

2010: 38,773 (2009: 39,558)

Total Injury Rate -

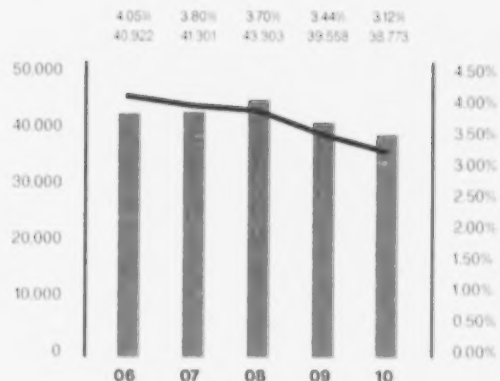
2010: 8.70 per cent (2009: 9.32 per cent)

Injury prevention has been a key component of the WCB's strategic vision since 2003. In 2010, in response to the wide acceptance of Mission: Zero as a call to action, stronger language was added to the WCB's Vision Statement making it clear that strategic success means zero workplace injuries in Saskatchewan.

Good progress was made in 2010 towards reaching zero. The Time Loss injury rate dropped for the eighth straight year, from 3.44 per cent to 3.12 per cent. This 9.3 per cent drop means in 2010 the WCB met its operational targets for both 2010 and 2011. New targets for 2011 and beyond will be set when operational plans are completed in April of 2011.

Full credit for this tremendous turnaround in the injury rate goes to the combined efforts of Saskatchewan's workers, employers and safety organizations.

The WCB understands that continuing and concerted effort is needed to bring the injury rate down further. While Saskatchewan made improvements in the past year, in 2009 it had the second highest workplace injury rate in Canada. For 2009, the latest statistics available from the Association of Workers' Compensation Boards of Canada (AWCBC), the Canadian average Time Loss injury rate was 1.82 per cent.



CLAIMS REPORTED AND TIME LOSS INJURY RATE

■ Claims Reported
— Time Loss Injury Rate (per 100 workers)

The injury rate is calculated by taking the number of Time Loss claims (TLCs) accepted and paid in the year and dividing it by the number of workers covered by the WCB. The number of covered workers is expressed as full time equivalents, or FTEs, and is determined by dividing reported payroll by the average weekly wage.

For the year, the WCB accepted 11,574 TLCs, the lowest number of TLCs in over 15 years, and 4.7 per cent fewer than the 12,141 claims accepted by the WCB in 2009. This is the second year in a row that the number of filed claims has dropped, a sure sign that prevention initiatives continue to produce meaningful results. The result is even more significant given that there were 17,275 more workers covered by the WCB in 2010 than in 2009.

While reducing the Time Loss injury rate is important, the WCB's vision speaks to eliminating all workplace injuries, and so the WCB also calculates a total injury rate that reflects the total number of claims reported.

In 2009, the total injury rate in Saskatchewan was 9.32 per cent. Through its WorkSafe Saskatchewan partnership with the Ministry of Labour Relations and Workplace Safety, the WCB set the goal of reducing the total injury rate to 8.85

per cent in 2010. The goal was exceeded. As at December 31, 2010, Saskatchewan's total injury rate was 8.70 per cent.

Targets also were set for the percentage of youth workers injured. Youth are statistically more likely to be injured on the job than a worker over the age of 25 years. In 2010, the goal was to lower youth injuries as a percentage of all injuries by 5 per cent from 20.2 per cent to 19.9 per cent. As at December 31, 2010, the rate was 19.3 per cent even as the total number of all injuries declined.

While there was considerable success in reducing injury rates through the past decade, the number of accepted claims had been increasing. This worrisome trend was noted in earlier strategic and operational plans. In 2009 and 2010 the WCB has seen a turnaround;

- 38,773 claims were reported to the WCB, a decrease of 785 from 2009, and 4,530 from 2008.
- Of the claims reported, 32,276 were accepted which is 685 less than in 2009, and 3,951 less than in 2008.

This is the lowest number of claims reported and claims accepted in five years, even though the percentage of unaccepted claims has remained stable.

The drop in the injury rate and in claims reported proves that the WCB's strategy of partnerships and joint initiatives in workplace safety is working. Going forward, attention will continue to focus on:

1. **Building greater capacity for occupational health and safety programming in Saskatchewan workplaces.** This includes providing training and informational events throughout Saskatchewan as well as developing new programs and resources to help employers better manage health and safety in their workplaces. In 2010, three new programs were developed where needs were identified: reporting and analysis of injuries, job safety analysis, and measuring safety climates within workplaces.

2. **Supporting the development and use of safety management systems.** The Joint Industry Committee (JIC), formed in 2006, is a group of safety leaders who encourage employers to adopt health and safety programs and to establish appropriate certification standards. In 2010, the JIC completed an evaluation tool where certification programs in various industries can be evaluated against the rigorous standards established by the JIC.

3. **Developing and supporting partnerships that advance injury prevention.** In 2010, WorkSafe Saskatchewan supported the formation of a new health care safety association, sponsored safety leadership awards, and featured several workplaces which had positive injury prevention stories. WorkSafe Saskatchewan continues to support research and innovation in health and safety through the WorkSafeBC Research Secretariat.

4. **Influencing the health and safety beliefs and behaviors of Saskatchewan youth.** In 2010, WorkSafe Saskatchewan created a youth video contest for high school students. A comprehensive youth research project was undertaken to better understand the behaviors and demographics of Saskatchewan youth so that appropriate programs, services, and promotional campaigns can be delivered. In partnership with Labour Standards, WorkSafe Saskatchewan launched the Young Worker Readiness Certificate Course.

5. **Informing the general public on the urgency of eliminating workplace injuries.** This includes social marketing that continues to deliver compelling messages on zero injuries, zero fatalities and zero suffering. In 2010, WorkSafe Saskatchewan also developed many new publications and training materials.

6. A targeting initiative. This helps employers with significant numbers of workplace injuries through audits, inspections, and encouragement to improve health and safety programs. This strategy continues to be successful, with the 2010 Priority 50 employers reducing their combined injury rate by 9.6 per cent, resulting in 336 fewer Time Loss and 109 fewer No Time Loss claims.

EXPERIENCE RATING PROGRAM

Discounts – 2010: \$21.9 million (2009: \$21.7 million)

Surcharges – 2010: \$21.6 million (2009: \$21.6 million)

The WCB's Experience Rating Program (ERP) provides employers financial incentives to improve or adopt

workplace safety, injury prevention measures and effective return to work programs.

The ERP ensures that the relatively small number of employers responsible for the majority of costs in the system will pay higher premiums through surcharges. Employers who do not contribute to the costs of the system receive a discounted premium rate. Discounts and surcharges are calculated when the annual rates are set in the fall of each year and are applied to the employer's industry premium rate for the upcoming year.

There are two programs: the advanced program applies to employers who pay more than \$15,000 in premiums to the WCB over a three-year period; employers who pay less than this amount are in the standard program.

SAFE COMMUNITIES HUMBOLDT & AREA

Safe Communities Canada is a national charitable organization dedicated to helping communities across the country build the capacity and resources they need to mount coordinated, collaborative programs to reduce the pain and cost of injury and promote a culture of safety for all citizens.

SCHA volunteers are passionate about making Humboldt and area a safer place to live, learn, work and play. Since 2005 they have been promoting a culture of safety through fun and engaging educational activities that encourage people to make smart choices to stay safe.

A safe community involves all citizens. Workplace safety is a key component to a safe community, so SCHA was eager to step forward and sign Saskatchewan's new Health and Safety Leadership Charter. SCHA has also been focusing on a variety of initiatives including Senior's Health and Safety, and a progressive Agriculture Farm Safety Day for students from Kindergarten through grade five. These complement other key safety programs including Pedestrian Safety, the Prevent Alcohol and Risk-related Trauma in Youth program, the CN Rail Safety Blitz, and Family Day in the Park.



Jan Berger

Gaining designation as a Safe Community is significant. To date, only 60 such designations have been granted across Canada, with Humboldt one of three in Saskatchewan. For the past three years, SCHA's success has been celebrated with a perfect 20/20 score on the Safe Communities Canada report card. They also recently won the Humboldt & District Chamber of Commerce Mark of Excellence Award for Community Merit and the CN Rail National Safety Initiatives Award.

Employers in the ERP's advanced program are subject to a 200 per cent maximum surcharge while employers in the standard program are subject to a 75 per cent maximum surcharge. The maximum discount available to employers in the standard program is 25 per cent. Employers in the advanced program are eligible for a maximum 30 per cent discount.

In 2010, 1,444 Saskatchewan employers paid \$21.6 million in surcharges while 21,148 employers received discounts of \$21.9 million. The remaining 17,773 employers covered by WCB received neither a discount nor a surcharge.

By reducing the number of work injuries and their associated costs, employers can move from a position of paying a surcharge to a position of receiving a discount. This is most effectively done through effective workplace health and safety programs and programs that return injured workers to work as soon as medically safe to do so.

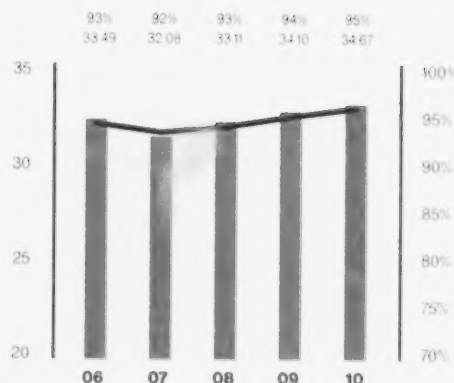
CLAIMS MANAGEMENT PROCESS

Return to Work – 2010: 95 per cent (2009: 94 per cent)

Average Duration – 2010: 34.67 days (2009: 34.10 days)

Claims management results in 2010 are comparable to those in 2009:

- 95 per cent of injured workers sustaining a Time Loss injury returned to work, up slightly from 94 per cent in 2009 and surpassing the WCB's aggressive 92 per cent objective.
- Average duration, the measure of timeliness of return to work, increased 1.6 per cent to 34.67 days per Time Loss claim, falling short of the 32.35 day strategic objective. The primary driver of the increase in duration is an increase in the proportion of 2 year old claims in the system. Indications are that this group of claims is staying in the system longer due to injury severity.



CLAIM DURATION AND RETURN TO WORK PERCENTAGE

■ Duration Days
— Return to Work Percentage

According to AWCBC's 2009 statistics, both the return to work percentage and average claims duration are among the best results for all Canadian compensation systems. The average duration of claims in Saskatchewan is 44.77 days. This is the shortest average claim duration of any province. The results are especially noteworthy because both metrics are dependent on all stakeholders in the system performing their responsibilities in a timely manner.

Decision accuracy measures the quality of claims decisions made by the WCB. This metric decreased from 98 per cent in 2009, to 96 per cent in 2010, but still surpassed the 95 per cent target for the year. The WCB also measures time to first payment, which is the number of days it takes to issue a first payment after the WCB is notified of an injury. The target is that 75 per cent of first payments are made within 14 days of injury occurrence. The average percentage in 2010 increased 2 percent to 69 per cent of first time payments. Saskatchewan's time from injury to first payment is the shortest of any jurisdiction in Canada, with an average of 19.38 calendar days. Saskatchewan's time from registration of injury to first payment is the second-shortest in Canada, with an average of 13.94 calendar days.

The WCB uses an independent agency of record to conduct customer service satisfaction surveys for both injured workers and employers. The survey methodology is called the Common Measurements Tool (CMT). It is specifically designed to measure satisfaction levels with public services.

In 2010, employers rated their overall satisfaction with claim services at 4.16 out of 5, up 0.04 from the 2009 average. Workers average satisfaction of 4.15 out of 5 was essentially unchanged from 2009.

While survey results of 4.0 or greater are defined as excellent, the WCB strives for a target of 4.75. Customer survey results are analysed to identify areas of service improvement that are most important to WCB customers. The analysis is specific to each of the WCB's nine claim management teams, giving each team the information it needs to make service changes that meet their clients' needs. In general, the WCB's satisfaction ratings are above the average national rating.

In 2010, the WCB made significant progress on its highest priority internal project – the replacement of the claims system. The implementation of this multi-year project was extended to allow a phased-in approach with the new system going live in October 2011. The size and complexity of the project requires the dedication of significant WCB resources in 2011.

HUMAN RESOURCES AND TEAM SUPPORT

The WCB believes its talent management strategies significantly contribute to the organization's effectiveness now and in the future.

The WCB integrates human resources into its strategic and operational planning processes. This ensures the organization has the right number of staff with the right competencies to deliver on the organization's business strategies and objectives.

Human Resources takes a strategic view with respect to the spectrum of initiatives within its portfolio. Sourcing, hiring, developing, engaging and retaining staff are all key priorities. Sourcing and hiring initiatives continued to be successful in 2010 largely due to:

- Being recognized as a Top Employer in Saskatchewan – for the fourth consecutive year.
- Positive relationships with post-secondary institutions and students.
- Support of an inclusive working environment through bursary programs and targeted sourcing initiatives.
- Youth friendly status designation from the Saskatchewan Chamber of Commerce and the former Saskatchewan Department of Industry and Resources.
- The Equity Seal from the Saskatchewan Human Rights Commission.
- Commitment to providing training and development opportunities.

Developing its existing workforce continued to be a strategic priority in 2010. The WCB considers a well-developed and prepared workforce as an investment for the future. The organization's commitment to providing state-of-the-art training programs to new front-line customer-focused staff remained a priority. As well, the organization finalized all learning modules with respect to its leadership development program with a targeted intake of participants to commence in 2011. WCB has been quite innovative in its approach to employee and leadership development and continues to emphasize what WCB employees need to know and be able to do in order to achieve successful business outcomes. In 2010, employees demonstrated 98 per cent competence, as measured through the performance management system. The target for this key performance indicator is 90 per cent.

Keeping staff is also critical to the organization's success. Employees have a wide-range of knowledge with respect to the workers' compensation system and related processes. A number of these employees have many years of experience. The organization tracks and maintains data with respect to internal demographics like turnover rates and retirement projections so it can plan for future workforce requirements. The WCB also conducts an employee engagement survey. The latest result was positive in comparison to other public sector employers and the organization plans on measuring employee engagement every two years on an on-going basis.

From a quality perspective, opportunities to enhance the quality of decision-making, which includes the correct application of policies, is addressed through the review

of initial adjudication decisions. The target of 95 per cent accuracy of entitlement decisions was surpassed in 2010. Without encroaching on decision-making independence, quality assurance staff provided constructive feedback to help achieve these quality outcomes.

The WCB believes that, because its people strategies and related processes are closely aligned with their business strategies, there is a corresponding contribution to the organization's effectiveness now and in the future.

BRANDT GROUP OF COMPANIES

The Brandt name has been a prominent part of Saskatchewan's business landscape for over 75 years. It's a dynamic and diverse group of companies headquartered in Regina. Brandt's success across Canada and into other parts of the world speaks clearly to the hard work and visionary leadership of its principal owner, Gavin Semple.

When the WCB began creating Saskatchewan's first-ever Health and Safety Leadership Charter in 2010, Gavin was on board immediately.

"We know the value of good people to our business," Gavin says. "The last thing we want is to lose even one of them to an injury."

"Today, productivity is everything," he says. "Putting safety first means you're committed to the on-going productivity of every individual on your team."

"Mission: Zero is a lofty goal – but everyone at Brandt believes in it. To show leadership, we enthusiastically signed the charter and have promoted it across our companies. I have personally seen



Gavin Semple

the impact it's having, flowing down through all of our managers and supervisors right down to the shop floor. When you focus on something important like this, good things happen."

2010 FINANCIAL HIGHLIGHTS

Saskatchewan's economy remained strong in 2010 but the global markets have not fully recovered from the lows reached in early 2009. While the WCB's investment holdings showed significant growth during the year, realized investment returns were still impacted by the market decline in 2008 and early 2009. With an increase in investment income, the WCB recorded an operating surplus of \$12.1 million in 2010. The surplus was allocated to the WCB's reserves and Injury Fund. As a result, the WCB remains in a fully funded position with its Injury Fund at \$121.6 million and reserves at \$61.3 million. With continuing declines in the Time Loss injury rate, the average premium rate for 2011 declined 1.2 per cent to \$1.61 – down from \$1.63 in 2010.

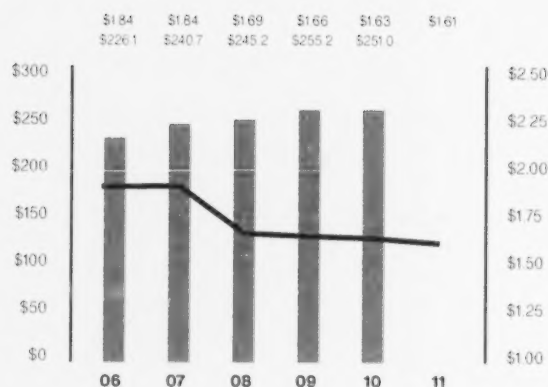
REVENUES

Premium income and investment income are the WCB's two sole sources of revenue. In 2010, revenues totaled \$294.9 million, a 4.5 per cent increase from 2009.

PREMIUMS

Total premium revenue is made up of base premiums plus discounts, and surcharges through the Experience Rating Program (ERP).

For 2010, employer assessable payrolls increased by 5 per cent to \$15.66 billion due to strong economic growth, particularly in the Building Construction and Oil & Gas sectors. Despite this payroll growth, base premium revenue decreased by 1.5 per cent from \$255.4 million in 2009 to \$251.6 million in 2010. This is as a result of the decline in the average premium rate from \$1.66 in 2009 to \$1.63 in 2010. The net cost of the ERP remained relatively constant in 2010 at \$0.2 million.



PREMIUM REVENUE AND AVERAGE PREMIUM RATE*

■ Premium Revenue (millions)

— Average Premium Rate (per \$100 Insurable Earnings)

* Premium revenue regrouped to be consistent with AWCCB definitions of Key Statistical Measures. Prior years have been adjusted.

INVESTMENT INCOME

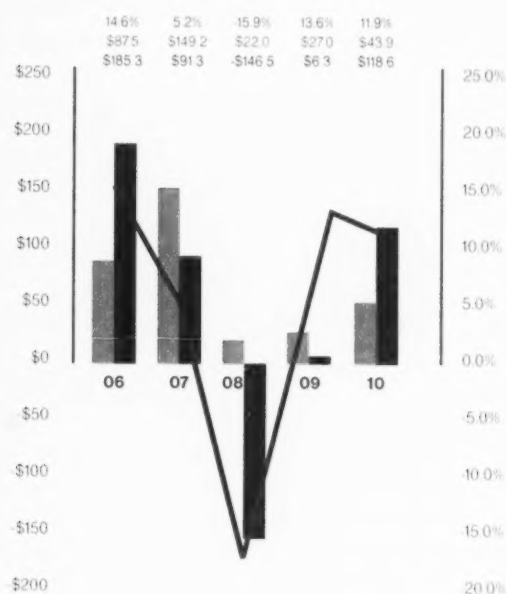
Investment income is an important revenue stream for the WCB. It supplements premiums to help cover total expenses for the year.

The long term assumption that investments will generate an annual nominal rate of return of 5.75 per cent is built into the WCB's benefits liabilities as well as the premium rate setting model. In 2010, the WCB's portfolio of investments had a return of 11.9 per cent at market compared to a return of 13.6 per cent in 2009 and a negative return of 15.9 per cent in 2008.

Investment income increased 63 per cent in 2010, from \$27.0 million in 2009 to \$43.9 million in 2010. Investment income is made up of:

- \$34.9 million of income from interest and dividends,
- \$9.2 million from net gains realized from the sale of real estate, and
- \$38.5 million from net gains realized from the sale of equities and bonds, less

- Investment write-downs of \$35.3 million, and less
- \$3.4 million for investment expenses.



INVESTMENT RETURN

- Investment Income (millions)
- Accumulated Other Comprehensive Income (millions)
- Percent Return on Market

The WCB records its equity and bond investments at market value and this is reflected in the \$1,412.1 million shown as Investments on the Statement of Financial Position. Any unrealized gains and losses on these investments in the year are reported as Other Comprehensive Income in the Statement of Changes in Funded Position. In 2010, the WCB recorded Other Comprehensive Income (OCI) of \$112.3 million made up of:

- Net unrealized gains of \$115.5 million,
- Less net realized gains of \$38.5 million, plus
- Investment write-downs of \$35.3 million which are recorded in investment income.

The OCI is added to the Accumulated Other Comprehensive Income (AOCI) on the Statement of Financial Position. At December 31, 2009 the AOCI sat at \$6.3 million. The 2010 OCI of \$112.3 million increases the AOCI to \$118.6 million at December 31, 2010. This \$118.6 million represents the accumulated net unrealized gains included in the \$1.4 billion of investments reported on the Statement of Financial Position.

INVESTMENT STRATEGY

The WCB's Statement of Investment Policies and Goals (SIP&G) outlines its investment and risk philosophy. The SIP&G reflects the long term nature of the WCB's liabilities and the impact of future inflation on its existing liabilities.

The WCB diversifies among asset classes – fixed income securities, equities, mortgages, and real estate – to achieve its long-term investment goals and to maximize returns at an acceptable risk. The WCB further diversifies within asset classes by selecting investment managers with different investment mandates and styles.

The WCB's Investment Committee reports to the WCB's Board Members and, with the assistance of an independent investment consultant, recommends the approval of the SIP&G and the appointment of the investment managers. It also monitors the performance of the investment managers against established benchmarks. The Investment Committee recommends prudent policy goals and objectives to safeguard funding stability. The Committee meets regularly to monitor the performance of the investment managers and to review the ongoing relevance of the policies.

The Investment Committee believes that a long-term perspective must be maintained. The WCB has shown good investment returns; its market rate of return in 2010 was the second highest rate of return when compared to other WCBs across Canada.

EXPENSES

The WCB has five main categories of expenses: claims costs, administration, safety and prevention, annuity fund interest and legislative obligations.

CLAIMS COSTS

As reported in the Statement of Operations claims costs totaled \$228.3 million in 2010, a 2.5 per cent increase from 2009. Claims costs include actual payments made for compensation purposes throughout the year plus the change in benefits liabilities. Benefits liabilities represent the amount required to pay the future costs of all claims.

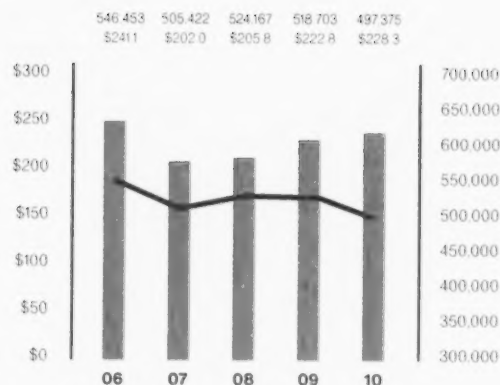
The compensation component of claims costs consists of:

- Short term wage loss and long term earnings replacement payments to injured workers and their dependents,
- The health care services provided to injured workers, and
- Any vocational rehabilitation required to return injured workers to meaningful employment.

In 2010, compensation costs paid were \$191.9 million, a \$5.8 million increase over 2009. Administration costs for adjudicating and managing claims are also allocated to claims costs, bringing the total 2010 compensation payments to \$202.7 million, a 3.1 per cent or \$6.1 million increase over 2009.

The \$228.3 million of claims costs reported in the Statement of Operations consists of the \$202.7 million in cash expenses plus a \$25.6 million actuarial increase to liabilities. The benefits liabilities represent legislated obligations to pay the costs of all existing claims into the future. Benefits liabilities are discussed in more detail further on in this analysis.

Durations and the number of Time Loss claims (TLCs) are two key drivers of compensation costs. While the duration of TLCs paid increased in 2010, the impact was reduced by the decrease in new TLCs. As well, a reduction in the number of TLCs from previous years influences overall claims costs. Total TLCs paid in 2010 were 14,345, or a 5.7 per cent decrease from the 15,213 claims paid a year earlier.



CLAIMS COSTS

- Claims Costs (millions)
- Days Paid Compensation

The drop in total TLCs paid in 2010 more than offset the longer durations of the claims in the system and resulted in a 4.1 per cent decrease in the total number of compensation days paid during the year: 497,375 total compensation days were paid in 2010 compared to 518,703 days in 2009. The decrease in days paid, offset by a 2.8 per cent increase in the wage loss paid per day, resulted in short-term wage loss payments of \$63.1 million in 2010. This represents a 3.0 per cent decrease over 2009.

Health care payments in 2010 increased to \$66.6 million, a 10.6 per cent increase over 2009. The WCB continues to invest more in treatment at the primary care level to help injured workers return to work as soon as it is medically safe to do so. The 2010 increase is primarily due to increased product and service fees paid to health care providers and suppliers in this sector and accounts substantially for the overall increase in compensation costs.

Vocational rehabilitation remains an important component of compensation as it provides the re-training and education required when injured workers cannot return to their pre-injury job. Vocational rehabilitation costs decreased slightly in 2010 to \$4.3 million, a drop of \$0.2 million from

SASKATCHEWAN INDIAN GAMING AUTHORITY (SIGA)

SIGA is the operator of six First Nations casinos in our province. The casinos are a significant economic generator and tourism attraction, offering outstanding traditional First Nations hospitality.

As a 100 percent non-profit gaming operator, SIGA distributes its revenues among Saskatchewan's First Nations communities, the Provincial Treasury, and Community Development Corporations located across the province.

Zane Hansen is the President and CEO and signed the 2010 Health and Safety Leadership Charter on behalf of SIGA. "Safety has always been important to us," he says. "By signing the Health and Safety Leadership Charter we wanted to stress the importance safety has in our casinos."

In 2010, SIGA's Richard Ahenakew, General Manager of the Northern Lights Casino in Prince Albert, was featured prominently in one of Worksafe Saskatchewan's new Mission: Zero TV commercials. This is just one more testament to the value SIGA places on creating a culture of safety across the organization.



Zane Hansen

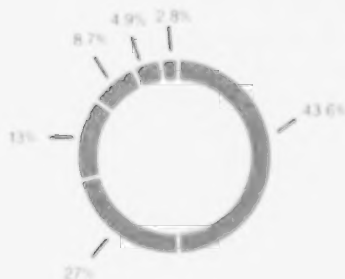
2009. The WCB remains diligent in its efforts to ensure that workers who require services are given the appropriate training, education, and modifications to their homes and workplaces.

Payments for long-term disability or earnings replacement and survivor benefits increased in 2010 to \$58.0 million, compared to \$56.2 million in 2009. This increase was primarily for amounts paid to injured workers receiving current Act long-term earnings replacement. In 2010, while the number of injured workers receiving benefits dropped by 167, the net increase of 27 workers collecting Independence Allowance and an increase in the average benefit paid resulted in an overall increase of 3.2 per cent compared to 2009.

BENEFITS LIABILITIES

Benefits liabilities increased 2.6 per cent in 2010 to \$1,021.3 million. This increase was driven by a significant increase in projected future health care benefits and a decrease in the rate used to discount projected future benefit payments from 6.00 per cent to 5.75 per cent.

In addition to projecting mortality tables for an additional year and reducing the discount rate to 5.75 per cent, the medical cost inflation rate increased from 6.0 per cent to 7.0 per cent. The remaining long-term economic and actuarial assumptions used in determining future benefits and administration costs were the same as those used in 2009. The real rate of return used is 3.25 per cent, and wages are expected to increase at 1.0 per cent above the assumed 2.5 per cent inflation rate. The WCB considers these assumptions to be a realistic best estimate of future expectations.



BENEFITS LIABILITIES

43.6%	Long-Term Disability	\$ 445,292,000
27.0%	Health Care	\$ 276,150,000
13.0%	Short-Term Wage Loss	\$ 132,795,000
8.7%	Survivor Benefits	\$ 88,533,000
4.9%	Future Benefits Administration	\$ 49,981,000
2.8%	Vocational Rehabilitation	\$ 28,514,000
100%	Total	\$ 1,021,265,000

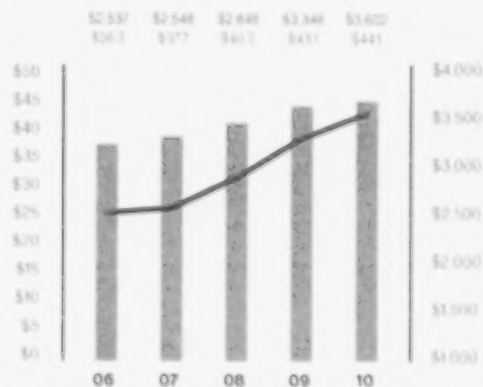
Most wage-based benefits paid by the WCB are expected to increase at the rate of inflation and will be discounted at the nominal rate. This means that most benefits, for the purpose of calculating the benefits liabilities, are determined using the 3.25 per cent real rate of return. However, all wage based benefits including short-term and pension awards for long-term disability and survivor benefits are subject to a ceiling based on the maximum wage rate prescribed under Section 38.1 of *The Workers' Compensation Act, 1979* (the Act). For the purpose of determining the present value of these future obligations that are capped by statutory limits, the obligations have been discounted using the nominal rate of return of 5.75 per cent per year.

The benefits liabilities also contain an amount set aside to administer benefits in future years. The WCB has determined that the allowance for the expenses included in the liability valuation should be 4.2 per cent of the liability for long-term disability and survivor awards and 6.3 per cent of the liability for all other claims. Future benefits administration accounts for \$50.0 million of the \$1,021.3 million total benefits liabilities.

ADMINISTRATION EXPENSES

Administration costs rose to \$44.1 million in 2010, a 2.3 per cent increase before costs charged to Future Benefits Administration. This increase reflects an increase in salary and employee benefit costs, an amount for Defined Benefit Plan costs, and an increase in costs for computer services and communications.

An important measure of administrative efficiency is the administration cost per Time Loss claim. This was calculated to be \$3,602 in 2010 compared to \$3,348 in 2009. The increase reflects the drop in the pure number of Time Loss claims and the slight increase in administration costs overall. Based on published statistics from the AWCBC for 2009, Saskatchewan had the second lowest administration cost per Time Loss claim in Canada.



ADMINISTRATION EXPENSES AND ADMINISTRATION COST PER TIME LOSS CLAIM*

- Administration Expenses (millions)
- Administration Cost per Time Loss claim

* Administration expenses refigured to be consistent with AWCBC definitions of Key Statistical Measures. Prior years have been adjusted.

A second measure of administrative efficiency tracked by WCBs across the country is the administration costs per \$100 of assessable payroll. For 2010, the WCB's ratio is \$0.27 per \$100 of assessable payroll. Based on 2009 statistics, again the most recent available, Saskatchewan's ratio of \$0.28, was the third best in Canada.

Changes in administration expenses are sometimes compared to changes to the provincial Consumer Price Index (CPI). The CPI uses 2002 as the base year for reporting on changes to the Index. For the period 2002 to 2010, the Saskatchewan CPI increased by 18.7 per cent. The WCB's administration expenses for that same period increased by less than 17 per cent.

SAFETY AND PREVENTION

Safety and Prevention is made up of funding to the Occupational Health and Safety Division (OH&S) of the Ministry of Labour Relations and Workplace Safety, funding to safety associations, and for WorkSafe Saskatchewan.

The Act requires that the WCB funds the operations of OH&S; however, the OH&S budget is approved by the

Government of Saskatchewan through the provincial budgeting process. The role of OH&S is to help workplace parties to meet their responsibility to identify and correct health and safety hazards. As well, OH&S assists occupational health committees and worker representatives, inspects workplaces, and enforces health and safety regulations. In 2010, this funding dropped by 4 per cent to \$9.3 million.

Safety funding is provided to nine safety associations that represent seventeen industry rate codes. Employers in these rate codes are charged a levy on their premiums to cover the cost of this funding. The total funds increased \$1 million to just under \$7 million in 2010.

Expenditures on WorkSafe Saskatchewan increased in 2010 to \$1.1 million from \$0.9 million in 2009 primarily due to more WorkSafe Saskatchewan promotion. The WCB and

SASKATCHEWAN PROVINCIAL BUILDING & CONSTRUCTION TRADES COUNCIL

The Saskatchewan Provincial Building & Construction Trades Council was created in 1989 as an umbrella organization for unions involved in Saskatchewan's construction industry. The 15 unions affiliated with the Council are responsible for building much of the infrastructure and the places we work and live in across Saskatchewan. They represent a variety of trades, such as ironworkers, insulators, boilermakers, electricians, painters, millwrights, plumbers, pipefitters, sheet metal workers, plasterers, teamsters, operating engineers, and general construction workers.

The Council plays a primary role in fostering safer working conditions and improving the quality of life for all workers and their families.

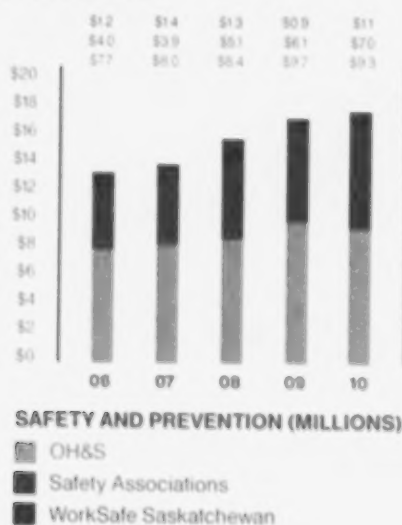
Business Manager Terry Parker applauds the introduction of the Health and Safety Leadership Charter into Saskatchewan's work environment. "Our goal is to be incident free in the construction sector. We are extremely proud to partner with the WCB and WorkSafe Saskatchewan."



Terry Parker

"We preach the safety gospel in the construction sector," Terry says. "Even one workplace injury is too many."

its WorkSafe Saskatchewan partner, the Ministry of Labour Relations and Workplace Safety, remain confident that expenditures to promote injury prevention and awareness will pay significant future dividends through fewer injuries to workers and lower costs for employers. Through its strategic and operational planning process WorkSafe Saskatchewan will further focus its efforts to ensure funds are spent in areas most in need of improvement. Details on WorkSafe Saskatchewan, its Strategic and Operational Plan, as well as reporting of results against that plan, can be found at www.worksafesask.ca.



ANNUITY FUND INTEREST

The Act requires the WCB to compensate injured workers for the loss of retirement income due to a workplace injury. The WCB sets aside an additional 10 per cent of all eligible benefits payments into an injured worker's annuity fund. This begins once the worker has received benefits for more than 24 consecutive months. The WCB continues to set aside funds until the worker returns to work or reaches age 65. At age 65, the worker uses the funds set aside, plus interest, to purchase an annuity. During 2010 contributions to the fund amounted to \$5.9 million, the same as in 2009.

The annuity funds accrue annual interest based on an internally calculated rate of return. The rate of return is based on the return of WCB's investment portfolio but spreads gains/losses on investments over 5 years to reduce the fluctuation in the annuity rate. As a result, in 2008 while WCB experienced a negative return on its investment portfolio, the annuity rate remained positive at 2.8 per cent. The effect of 2008's negative return, however, will continue to impact annuity rates until 2012. In 2010, interest earned totaled \$2.9 million, representing an interest rate of 1.7 per cent. This compares to \$6.0 million earned in 2009 at a rate of interest of 3.7 per cent.

Total annuity payouts in 2010 were \$7.4 million; up 4.2 per cent from the \$7.1 million paid out in 2009. The resulting \$165.1 million annuity fund payable at December 31, 2010 increased 1.0 per cent over the balance at December 31, 2009. While there were 5,841 active claims with annuities at the end of 2010 compared to 5,755 at the end of 2009, the average annuity fund remained approximately \$28,000 per claim.

LEGISLATIVE OBLIGATIONS

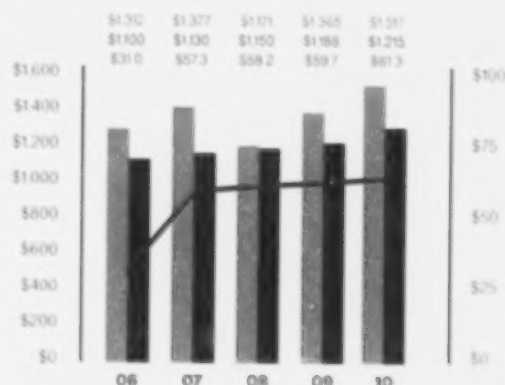
Under the Act, the WCB is obliged to fund the operations of the Office of the Worker's Advocate. Funding in 2010 was \$0.8 million, the same amount as in 2009. In addition, a Committee of Review was struck during the year. The majority of its costs are expected to be paid in 2011.

FUNDING STRATEGY

The WCB's funding policy sets the parameters for the Injury Fund and each of the reserves held by the WCB.

Of the \$12.1 million operating surplus in 2010, a total of \$1.5 million was allocated to the reserves to comply with the funding policy, while the remaining \$10.6 million was allocated to the Injury Fund. As a result, the \$111.0 million in the Injury Fund at the end of 2009 was increased to \$121.6 million at the end of 2010.

The targeted range for the Injury Fund is 5 per cent to 20 per cent of benefits liabilities. The Injury Fund is maintained in this range to ensure sufficient funds are available to meet required benefit levels and reduce fluctuations in the average premium rate. If the funded status moves outside the targeted range, it will be restored through the use of reasonable charges and rebates over a period not to exceed five years. The funding percentage, based on the funding policy, is calculated as the benefits liabilities plus the balance in the Injury Fund, divided by the benefits liabilities. The funding percentage at December 31, 2010 increased to 111.9 per cent from 111.2 per cent in 2009.



FUNDED POSITION AND RESERVES (MILLIONS)

■ Assets
■ Liabilities
— Reserves

The Second Injury and Re-employment Reserve was established to provide employers with cost relief on claims that are attributed to an earlier injury and to help return to work through retraining. Currently, the \$10.2 million in this reserve is 1.0 per cent of the benefits liabilities as recommended by the funding policy.

The Disaster Reserve and Occupational Disease Reserves were created to meet the requirements of the Act with respect to disasters and to meet the costs of emerging occupational diseases. The Disaster Reserve has two

components: one for less severe disasters which meet the threshold outlined in the Act and one for rare but very severe disasters. The funding policy specifies 1.0 per cent of benefits liabilities for each component. The total of the disaster reserve was \$20.4 million at the end of 2010. With respect to the Occupational Disease Reserve, the funding policy specifies a rate of 3.0 per cent of benefits liabilities which resulted in a balance of \$30.6 million at the end of 2010. The reserves combined for a total of \$61.3 million at December 31, 2010 compared to \$59.7 at the end of 2009.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The objective of financial reporting is to prepare reliable financial statements. This involves attaining reasonable assurance that the financial statements are free from material misstatements. The Internal Controls over Financial Reporting (ICOFR) is defined as those elements of an organization that, taken together, support the achievement of the preparation of reliable financial statements.

Beginning in 2009, WCB began certifying in its annual report that the financial statements are presented fairly, in all material respects, and internal controls are adequate to prevent material misstatement of the financial statements.

The WCB established an ICOFR Committee to assess its internal controls over financial reporting and to provide assurance that internal controls are adequate to prevent material misstatement of the financial statements. The Committee assessed the control environment in which the internal controls operate and evaluated internal controls related to certain financial processes, transactions, and applications. The assessments undertaken by the Committee in 2010 did not identify any material weaknesses in internal controls over financial reporting. The 2010 report by the Chief Executive Officer and the Vice-President of Prevention, Finance and Information Technology can be found on page 42 of this annual report.

FUTURE FINANCIAL REPORTING CHANGES

The Canadian Accounting Standards Board has confirmed that publicly accountable enterprises, including Government Business Enterprises (GBE), will be required to adopt International Financial Reporting Standards (IFRS) for years beginning on or after January 1, 2011. As a GBE, WCB is proceeding with the adoption of IFRS. WCB will prepare its first financial statement in accordance with IFRS for the year ending December 31, 2011 with comparative figures for December 31, 2010. WCB will also provide an opening balance sheet as at January 1, 2010, the date of transition to IFRS.

The WCB established an IFRS Committee and charged the Committee with analysing transition issues, documenting IFRS differences, preparing IFRS disclosures, monitoring current IFRS activities, and making recommendations to the Audit Committee. Regular reporting has been provided by the Committee to the executive, the Audit Committee and the Board Members.

In 2009, the Committee conducted an initial assessment of the IFRS standards and identified that potential significant areas of difference are related to accounting for property, plant and equipment, employee future benefits, financial instruments and financial statement disclosure.

In 2010, an external advisor was engaged to review the reconciliation of the Injury Fund from Canadian GAAP to IFRS on January 1, 2010. The items affecting the Injury Fund are identified below and are followed by an explanation of each adjustment.

Injury Fund as at January 1, 2010 (Canadian GAAP)	\$ 111,016,000
1. Defined Benefit Pension Plan	
Unamortised actuarial gains/losses	(5,120,000)
2. Investments	
Unrealised gains/losses	6,310,000
3. Real Estate	
Recorded at market	9,030,000
4. Retiring Allowance	
Attribution method	174,000
Total Adjustments	10,394,000
Injury Fund as at January 1, 2010 (IFRS)	\$ 121,410,000

1. Defined Benefit Pension Plan – The WCB sponsors a Defined Benefit Pension Plan for employees enrolled prior to October 1, 1977. Under current GAAP, WCB allocates a portion of its retirement benefit costs associated with the defined benefit pension plan as net benefit plan expense in the current year.

Under IFRS, WCB plans to utilize an election to recognize all unamortised actuarial gains and losses and all unamortized net transitional assets existing at the transition date immediately in the Injury Fund. The impact on the Injury Fund at January 1, 2010 is a decrease of \$5,120,000.

2. Investments – The WCB plans to early adopt IFRS 9 Financial Instruments that uses a single approach to determine whether a financial asset is measured at amortised cost or fair value. Under this standard, all unrealized gains and losses on investments held at market are recorded in the Statement of Operations rather than in Accumulated Other Comprehensive Income. This change results in an increase to the Injury Fund of \$6,310,000 and an offsetting decrease to Accumulated Other Comprehensive Income at January 1, 2010.

3. Real Estate – The WCB has direct holdings in Real Estate that under current GAAP are recorded at cost. Under IFRS, the best estimate of fair value is used when an investment is not quoted in an active market. The market value for the direct holdings in Real Estate at January 1, 2010 is based on appraisal values from third parties. The appraisal values are considered reasonable due to the fact that the direct holdings were sold in 2010 and the realized value approximated the fair value at January 1. The impact on the Injury Fund at January 1, 2010 is an increase of \$9,030,000.

4. Retiring Allowance – The WCB provides a retiring allowance to retiring employees that have attained a certain age or completed a designated number of years of service. The attribution method, the method to allocate benefits to periods of service, under current GAAP differs from the method required under IFRS. The current attribution method commences benefit accruals from the employee's date of hire while the IFRS method requires that the accruals not begin until the designated numbers of years prior to the age the employee first

becomes eligible to retire. The impact on the Injury Fund at January 1, 2010 is an increase of \$174,000.

The WCB plans to utilize the IFRS 1 exemption that allows the WCB to disclose only 5 years of data in its loss development tables, consistent with the transitional provision of IFRS 4 Insurance Contracts. The disclosure will be increased in each subsequent year until 10 years of information is provided.

In light of the upcoming changes as a result of the transition to IFRS, the WCB will be undertaking a review of its funding policy in 2011. With unrealized gains and losses flowing through the statement of operations the funding policy will be modified to ensure it deals with this change appropriately.

The International Accounting Standards Board's (IASB) discussion paper on the second phase of IFRS 4 Insurance Contracts outlines the preliminary proposal to change the accounting basis for insurance contracts to fair value. This is an important standard because it may have a significant impact on WCB's financial statements. The IASB published an exposure draft on July 30, 2010 and a final standard is expected in 2011. With no target date for the effective date of the final standard, no impact is expected on the financial statements until at least 2013.

LOOKING AHEAD

ECONOMIC OUTLOOK

The Conference Board of Canada predicts outstanding economic performance for Saskatchewan in 2011. Saskatchewan's economy is expected to grow 4.4 per cent in 2011 due to strong growth in the mining sector, particularly in potash. Other key factors that are forecasted to contribute to the economic growth in Saskatchewan are higher commodity prices, continued population growth, gains in the energy sector, and increased activity in resource development. In addition, the province should again share one of Canada's lowest unemployment rates in 2011. The labour market posted a steady performance, with employment sitting near record levels in 2010. A tight labour market, solid job prospects and relatively low living costs should continue to drive population growth.

This positive outlook for Saskatchewan is reflected in the increase in the WCB's employer assessable payroll forecast from \$15.66 billion in 2010 to \$16.51 billion in 2011.

BUSINESS OUTLOOK

The fast pace of Saskatchewan's economy coupled with projections of labour shortages as soon as mid-2012 may mean that our workplaces are under increased pressure to work longer hours or at a faster pace. This would pose an increased risk in the workplace that could result in more workplace injuries for some sectors or occupations. The WCB monitors the injury rate by sector for any indicators that suggest an industry's rate is cause for concern.

The WCB will continue to identify threats and opportunities to its corporate business plan during its strategic planning process, and to create action plans to ensure it can meet future challenges in its operational and financial plan with confidence. Specific strategic initiatives include:

- Focused human resource planning and programs will continue to help WCB to recruit and keep a capable workforce.
- Continued emphasis on the elimination of work related injuries by the WorkSafe Saskatchewan partnership, and increased collaboration with stakeholders to bring greater attention to the high personal and economic cost of injuries.
- The development and implementation of a new claims computer system.
- Continued prudent investment strategies to capitalize on expected positive corporate earnings growth in 2011 and thereby improve the WCB's investment performance.
- Cooperation with healthcare providers so that injured workers receive the most appropriate and timely health care services.

responsibility for financial reporting

The financial statements are the responsibility of management and have been prepared in conformity with Canadian generally accepted accounting principles. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the WCB. Based on management's knowledge, having exercised reasonable diligence, the financial statements fairly present, in all material respects, the financial condition, results of operations, and cashflows as at December 31, 2010.

Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The effectiveness of controls over financial reporting was assessed and found to provide reasonable assurance that internal controls at December 31, 2010 operated effectively with no material weaknesses in the design or operation of the controls.

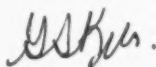
An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The scope of their valuation and opinion are given in the Actuarial Certification.

The financial statements have been examined and approved by the Board Members. The Board Members meet periodically with financial officers of the Board and the external auditors. The Internal Audit Department conducts reviews designed to test the accuracy and consistency of the WCB's internal controls, practices and procedures.

KPMG LLP has been appointed external auditors to report to the Members of the Board regarding the fairness of presentation of the Board's financial position and results of operations as shown in the financial statements. In carrying out their audit, the external auditors place reliance on the work of the actuary and his report on the benefits liabilities. The Auditors' Report outlines the scope of their examination and their opinion.



PETER FEDERKO CA
Chief Executive Officer



GAIL KRUGER CMA
Vice-President,
Prevention, Finance
and Information
Technology

actuarial certification

TO THE BOARD MEMBERS OF THE SASKATCHEWAN WORKERS' COMPENSATION BOARD

We have completed an actuarial valuation as at December 31, 2010 of the liabilities for benefits payable in the future under *The Workers' Compensation Act, 1979* Saskatchewan in respect of claims that occurred prior to the valuation date.

We have analyzed the claims data on which the valuation has been based and have performed tests to confirm the reasonableness of the data and its consistency with the data used for valuations in prior years. In our opinion, the claims data is sufficient and reliable for the purposes of the valuation.

The valuation was based on the provisions of *The Workers' Compensation Act, 1979* in effect as of December 31, 2010 and reflected the legislated maximum wage rate. The benefits liability includes provision for claims arising in the future in respect of latent occupational diseases only to the extent that such claims have been experienced in the past. It also includes provision for future expenses relating to the administration of existing claims. Payments made by the Board on a self-insured basis are excluded from the valuation of the benefits liability.

The actuarial assumptions and methods employed in the valuation represent the best estimate of the Board's future obligations, with an allowance for investment returns on the Board's fund being less than expected. They are based on the provisions of *The Workers' Compensation Act, 1979* at the valuation date, the Board's current claims adjudication practices and administrative procedures and the pattern of claims costs experienced prior to the valuation. In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles.

The actuarial valuation of the benefits liability of \$1,021,265,000 represents the actuarial present value at December 31, 2010 of all payments expected to be made in future years in respect of all claims occurring on or before December 31, 2010. In our opinion, the amount of the benefits liability makes appropriate provisions for all personal injury compensation obligations and the financial statements fairly represent the results of the valuation.

Our actuarial report has been prepared and our opinions have been given in accordance with accepted actuarial practice.

Hewitt Associates, operating as Aon Hewitt



MARK MERVYN

Fellow, Canadian Institute of Actuaries
March 3, 2011

independent auditor's report

TO THE MEMBERS OF THE SASKATCHEWAN WORKERS' COMPENSATION BOARD

We have audited the accompanying financial statements of Saskatchewan Workers' Compensation Board ("the Entity"), which comprise the statement of financial position as at December 31, 2010, the statements of operations, changes in funded position, changes in injury fund, changes in accumulated other comprehensive income and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Workers' Compensation Board as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANTS

KPMG LLP

REGINA, CANADA

March 3, 2011

statement of financial position

(Thousands of dollars)

	2010	2009
Assets		
Cash and cash equivalents (note 3)	\$ 45,082	\$ 61,195
Receivables (note 4)	20,404	28,789
Investments (note 5)	1,412,143	1,246,739
Property, plant and equipment (note 6)	13,881	14,480
Other assets (note 7)	25,032	13,616
	\$ 1,516,542	\$ 1,364,819
Liabilities		
Payables and accrued liabilities (note 8)	\$ 28,682	\$ 28,409
Benefits liabilities (note 9)	1,021,265	995,658
Annuity fund payable (note 10)	165,106	163,686
	1,215,053	1,187,753
Funded Position (see accompanying statements)		
Injury Fund	121,591	111,016
Reserves (note 11)	61,276	59,740
Accumulated Other Comprehensive Income	118,622	6,310
	301,489	177,066
	\$ 1,516,542	\$ 1,364,819

Contingencies (note 17)

See accompanying notes to financial statements

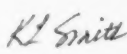
On behalf of the Board:



DAVID R. EBERLE
Chairperson



WALTER EBERLE
Board Member



KAREN SMITH
Board Member

statement of operations

(Thousands of dollars)

	2010	2009
Revenues		
Premiums (note 12)	\$ 250,959	\$ 255,172
Investment income (note 5)	43,910	27,010
	294,869	282,182
Expenses		
Claim costs (note 9)	228,335	222,754
Administration (schedule 1)	33,343	32,542
Safety and prevention (note 13)	17,382	16,604
Annuity fund interest (note 10)	2,873	5,958
Legislative obligations (note 14)	825	764
	282,758	278,622
Operating surplus	\$ 12,111	\$ 3,560

See accompanying notes to financial statements

statement of changes

IN FUNDED POSITION

(Thousands of dollars)

	2010	2009
Operating Surplus	\$ 12,111	\$ 3,560
Other Comprehensive Income		
Net unrealized gains on equities, bonds, debentures and pooled funds	115,467	122,665
Net realized (gains)/losses on equities, bonds, debentures and pooled funds recognized in operating surplus	(38,451)	27,220
Investment write-downs recognized in operating surplus (note 5)	35,296	2,974
	112,312	152,859
Comprehensive income	124,423	156,419
Funded position, beginning of year	177,066	20,647
Funded position, end of year	\$ 301,489	\$ 177,066

See accompanying notes to financial statements.

statement of changes

IN INJURY FUND

(Thousands of dollars)

	2010	2009
BALANCE, beginning of year	\$ 111,016	\$ 109,023
Operating surplus	12,111	3,560
Appropriation of funds to reserves (note 11)	(1,536)	(1,567)
Appropriation to fund cost relief for employers	(26,139)	(23,346)
Allocations for cost relief for employers	26,139	23,346
BALANCE, end of year	\$ 121,591	\$ 111,016

See accompanying notes to financial statements

statement of changes

IN ACCUMULATED OTHER COMPREHENSIVE INCOME

(Thousands of dollars)

	2010	2009
BALANCE, beginning of year	\$ 6,310	\$ (146,549)
Other comprehensive income	112,312	152,859
BALANCE, end of year	\$ 118,622	\$ 6,310

See accompanying notes to financial statements

statement of cash flows

(Thousands of dollars)

	2010	2009
OPERATING ACTIVITIES		
Cash received from:		
Premiums	\$ 255,615	\$ 256,206
Dividends and interest	32,835	36,924
	288,450	293,130
Cash paid to:		
Claimants, or third parties on their behalf	190,172	187,616
Employees and suppliers, for administrative and other goods and services	38,740	39,083
Safety and prevention programs	17,736	15,343
Ministry of Labour Relations and Workplace Safety	764	709
	247,412	242,751
Net cash provided by operating activities	41,038	50,379
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	1,039,418	814,820
Cash paid for:		
Purchase of investments	1,081,242	854,502
Purchase of property, plant and equipment and other assets	15,327	5,845
	1,096,569	860,347
Net cash used in investing activities	(57,151)	(45,527)
Increase (decrease) in cash during the year	(16,113)	4,852
Cash and cash equivalents, beginning of year (note 3)	61,195	56,343
Cash and cash equivalents, end of year (note 3)	\$ 45,082	\$ 61,195

See accompanying notes to financial statements.

notes

TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS:

The Saskatchewan Workers' Compensation Board (WCB) operates under the authority of *The Workers' Compensation Act, 1979* (the Act) and its purpose is to provide workers' compensation insurance to workers who are injured in the course of their employment.

Though WCB does not receive government funding or other assistance, it is required by the Act to maintain an Injury Fund sufficient to meet all present and future compensation costs. Premium rates are established at a level to provide for current and future cost of claims and operations arising from current claims. WCB is a Government Business Enterprise (GBE) and as such is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

In March 2009, the Canadian Accounting Standards Board reconfirmed that Canadian GAAP for publicly accountable enterprises, including Government Business Enterprises (GBEs), will be replaced by International Financial Reporting Standards (IFRS) for annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, these financial statements will be the last prepared by WCB as a GBE under pre-conversion Canadian GAAP, and the conversion to IFRS will be applicable to WCB's reporting for the year ended December 31, 2011, for which current and comparative information will be prepared under IFRS. WCB will also present an opening IFRS statement of financial position as at January 1, 2010, WCB's date of transition, as part of WCB's 2011 annual financial statements.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the amounts estimated and the changes in estimates are recorded in the accounting period in which they are determined. The most significant estimation processes are related to the actuarial determination of the benefits liabilities (note 9) and the investment valuation (note 5).

A number of sensitivity disclosures are provided throughout the notes to the financial statements to illustrate the approximate effects on measurements of assets and liabilities that could result from changes in claims experience and economic

factors such as interest rates, foreign exchange rates and equity market prices. These disclosures are intended to provide information on sensitivity to changes in the business and economic environment and are not intended as forward-looking statements or predictions of future events.

Financial Assets and Liabilities

Financial assets and liabilities are measured based on whether they are classified as held for trading, available for sale, held to maturity, loans and receivables, or other financial liabilities.

WCB has designated cash equivalents and short-term holdings, bonds and debentures, equities and pooled fund investments as available for sale and therefore these financial assets are carried at fair value. Receivables and accrued interest are designated as loans and receivables and are recorded at amortized cost using the effective interest method. Payables and accrued liabilities are designated as other financial liabilities and are recorded at amortized cost using the effective interest method.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash and money market instruments that will be liquidated in the near term to fund operations.

Investments

All investments are carried at fair value except real estate owned directly which is recorded at cost. The fair value of cash equivalents and short term investments is based on cost which approximates fair value due to the short period to maturity. The fair value of bonds and debentures and equities is determined from quoted market values based on the latest bid prices. The fair value of pooled funds is based on the quoted market values of the underlying investments. The fair value of real estate investments is based on independent appraisals.

Transactions in bonds and equities are recorded as of the trade date. Transaction costs are added to the cost of the investment and taken into account in the determination of the effective interest rate recorded during the period. Investment expenses such as external custodial and management fees, are netted against investment income.

Realized gains and losses on disposition of investments are recorded in investment income when realized. Because bonds and debentures, equities, and pooled funds are designated as available-for-sale investments, unrealized gains and losses are included in Accumulated Other Comprehensive Income until they are realized. Impairments of investments that are

determined to be other than temporary are charged to operations. WCB recognizes interest as earned, dividends when declared, pooled fund revenue when a distribution is declared, and investment gains and losses when realized. Interest is recognized over the term of the bond or debenture using the effective interest method and includes amortization of any premium or discount recognized at the date of purchase.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives of the assets are as follows:

Building	40 Years
Leasehold improvements	15 Years
Office furnishings	10 Years
Computer equipment	3 - 4 Years

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is receivable by instalments within the current year. At year-end, premium revenue is adjusted based on a review of the employers' actual payrolls. Premium revenue is impacted by discounts or surcharges which are applied to the employers' industry premium rate through WCB's Experience Rating Program.

Benefits Liabilities

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2010 has been determined by estimating future benefits payments in accordance with WCB's administrative policies and practices in effect at December 31, 2010. Benefits liabilities do not include any provision for payment of claims relating to the Government of Canada, as they are a self-insured employer. Also, no provision has been made for future claims relating to occupational diseases and injuries that are not currently considered to be work-related.

Intangible Assets

Other assets include software development costs. These costs are amortized on a straight-line basis from the date the programs are put into operation over their estimated useful life. The estimated useful life of software development costs range from three years to fifteen years.

Annuity Fund Payable

The annuity fund is established pursuant to sections 74 and 83 of the Act. Where compensation is paid for a period exceeding twenty-four consecutive months, an additional amount equal to 10% of eligible benefits paid is set aside in the fund to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury. The fund earns interest based on an internally calculated rate of return. At age 65 the client must provide direction to WCB for the disposition of these funds.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Foreign Currency Translation

Transactions denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the date of the transaction. Foreign currency gains and losses derived from investments are recorded in the same manner as other investment gains and losses.

Employee Future Benefit Plans

WCB provides a defined benefit pension plan and a defined contribution pension plan that provide retirement benefits for its employees.

For the defined benefit plan, the cost of pensions and other retirement benefits earned by employees is determined using the projected benefit method pro rated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and future pension indexing. The discount rate used to determine the accrued benefit obligation is determined with reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. For purposes of calculating the expected return on plan assets, those assets are valued at fair value. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of the plan assets is amortized over the average remaining service life of active employees. The net transitional asset, calculated on the adoption of the change in accounting standards for employee future benefit plans, is being amortized over the average remaining service life at the transition date. Pensions will be increased annually by the lesser of 2.50% or 50% of the Consumer Price Index in the immediately preceding year.

For the defined contribution plan, employee contributions are matched by WCB and expensed in the period made.

Accumulated Other Comprehensive Income

Accumulated Other Comprehensive Income records the accumulated unrealized gains and losses on available-for-sale investments held at the year-end date. The balance of this fund will not be considered in the determination of the funded status of WCB. In addition, this fund's balance will not be considered for determining premium rates or rebates and will not be considered as available for benefit enhancements.

3. CASH AND CASH EQUIVALENTS:

(Thousands of dollars)

	2010	2009
Notes and commercial paper	\$ 42,856	\$ 60,481
Cash in bank, net of outstanding cheques	2,226	714
	\$ 45,082	61,195

The effective interest rates on the notes and commercial paper are 1.0% to 1.3% (2009 - 0.1% to 0.4%).

4. RECEIVABLES:

(Thousands of dollars)

	2010	2009
Premiums	\$ 13,645	\$ 17,603
Other receivables	5,357	4,488
Accrued interest	3,675	3,565
Interprovincial claims	1,790	1,936
Investment proceeds receivable	141	5,110
	24,608	32,702
Allowance for doubtful accounts	(4,204)	(3,913)
	\$ 20,404	\$ 28,789

Premiums receivable includes an estimate of \$3,700,000 (2009 - \$8,500,000) for premium revenue to be assessed when employers submit their final insurable earnings information for 2010. The estimate is based on the total estimated premium revenue for the year less premiums received for the year. The total estimated premium revenue uses management's best estimate and judgment in calculating the employers final payroll amounts for the year.

Investment proceeds receivable represent transactions traded in December, 2010 but not settled until January, 2011.

The allowance for doubtful accounts is a provision for potential credit losses and amounts are subsequently written off once reasonable collection efforts have been made.

The allowance details are as follows:

(Thousands of dollars)

	2010	2009
BALANCE, beginning of year	\$ 3,913	\$ 3,763
Amounts written off	(1,700)	(1,610)
Current provision	1,991	1,760
BALANCE, end of year	\$ 4,204	\$ 3,913

The aging of receivables is as follows:

(Thousands of dollars)

	2010	2009
Less than 60 days	\$ 11,716	\$ 21,736
61 to 180 days	4,244	3,724
181 to 365 days	2,233	1,862
Greater than 1 year	6,415	5,380
	\$ 24,608	\$ 32,702

5. INVESTMENTS:**(a) The carrying value of investments is as follows:***(Thousands of dollars)*

	2010	2009
Bonds and debentures	\$ 389,039	\$ 381,849
Equities	469,594	406,357
Pooled equity funds	321,786	277,221
Real estate	-	21,485
Pooled real estate fund	144,527	101,686
Pooled mortgage fund	49,420	28,560
Short-term holdings	37,777	29,581
	\$ 1,412,143	\$ 1,246,739

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Bonds and debentures:

(Thousands of dollars)

		2010		2009	
	Term to Maturity In Years	Carrying Value	Average Effective Yield	Carrying Value	Average Effective Yield
Government of Canada Securities					
	1 - 5	\$ -	-	\$ 4,357	1.00%
	6 - 10	21,913	3.30%	4,216	3.70%
	Over 10	19,432	4.03%	20,876	4.20%
Provincial & Municipal Securities					
	1 - 5	2,049	3.80%	13,686	4.85%
	6 - 10	41,968	4.15%	34,306	4.44%
	Over 10	45,120	4.72%	56,961	5.10%
Corporate Securities					
	Less Than 1	36,968	4.76%	5,543	5.16%
	1 - 5	104,867	3.96%	104,981	4.39%
	6 - 10	79,005	4.71%	79,403	3.78%
	Over 10	37,717	5.29%	57,520	5.72%
Total		\$ 389,039		\$ 381,849	

(ii) Equities and pooled equity funds:

WCB's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk. Fund returns are based on the success of the fund managers.

WCB's equity investments includes foreign equities of \$91,455,000 (2009 - \$81,276,000).

WCB has an investment in a pooled equity fund for Europe, Asia and the Far East (EAFE) with a carrying value of \$95,709,000 (2009 - \$69,352,000). WCB also has an investment in a pooled global equity fund with a carrying value of \$150,987,000 (2009 - \$140,139,000) and investment of \$75,090,000 (2009 - \$67,730,000) in a Canadian Equity Small Cap fund.

(iii) Real estate and pooled real estate fund:

All of WCB's real estate holdings are in Canadian commercial property. These holdings consist of real estate owned directly with an estimated fair value of \$0 (2009 - \$30,515,000) and an investment in a pooled real estate fund with a carrying value of \$144,527,000 (2009 - \$101,686,000).

(iv) Pooled mortgage fund:

WCB has an investment in a pooled mortgage fund with a carrying value of \$49,420,000 (2009 - \$28,560,000).

(v) Short-term holdings:

Short-term holdings is comprised of treasury bills, notes and commercial paper with effective interest rates of 0.9% to 1.2% (2009 - 0.1% to 0.4%) and average term to maturity of 3.33 months (2009 - 4.13 months).

(vi) Securities lending:

WCB's Statement of Investment Policies and Goals allows for securities to be lent to counterparties for the purposes of generating revenue in exchange for pledged collateral. Acceptable collateral includes cash, readily marketable government bonds, treasury bills, letters of credit, discount notes and banker's acceptances of Canadian chartered banks. In Canada, the current practice is to obtain collateral of at least 105% of the market value of the securities lent.

At December 31, 2010 WCB had \$211,407,000 (2009 - \$114,267,000) in equities, bonds and debentures and short term investments on loan to various counterparties. At December 31, 2010 the total amount of collateral pledged to WCB amounted to \$222,142,000 (2009 - \$119,981,000).

(b) Investment income

Net investment income was derived from the following sources:

(Thousands of dollars)

	2010	2009
Cash and cash equivalents	\$ 368	\$ 254
Bonds and debentures	25,250	21,262
Equities	37,581	(23,517)
Pooled equity funds	7,148	7,224
Real estate and pooled real estate fund	9,533	26,020
Pooled mortgage fund	2,484	1,404
Short-term holdings	223	192
Investment expenses	(3,381)	(2,855)
Investment write downs	(35,296)	(2,974)
	\$ 43,910	\$ 27,010

At December 31, WCB conducts a review to identify and evaluate investments that show indications of impairment. An investment is considered impaired if its fair value falls below its cost, and a write down is recorded in investment income when the decline is considered other than temporary. Factors considered in determining whether a loss is temporary include the length of time and extent to which fair value has been below cost, financial condition and near-term prospects of the issuer, and the ability to hold the investment for a period of time sufficient to allow for any anticipated recovery.

(c) Unrealized loss positions

The following table presents available-for-sale investments with unrealized losses at December 31, 2010 where the decline is considered temporary. The unrealized losses are recorded as a component of accumulated other comprehensive income.

(Thousands of dollars)

	2010		2009	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Bonds and debentures	\$ 92,186	\$ (1,103)	\$ 113,913	\$ (1,688)
Equities	71,459	(4,450)	79,575	(7,916)
Pooled equity funds	95,708	(10,648)	277,221	(60,626)
Pooled real estate fund	-	-	101,686	(646)
Pooled mortgage fund	-	-	28,560	(407)
	\$ 259,353	\$ (16,201)	\$ 600,955	\$ (71,283)

As at December 31, 2010, WCB held investments whose cost exceeded their fair value by \$16,201,000 (2009 - \$71,283,000). The unrealized losses on the bonds and debentures arose primarily from changes in interest rates. For equities and pooled funds, unrealized losses are primarily the result of investment specific business environment factors related to the underlying investments.

d) Determination of fair value

The determination of fair value is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices that are based on observable data;
- Level 3 Inputs that are not based on observable market data

(Thousands of dollars)

Assets at fair value as at December 31, 2010

	Level 1	Level 2	Level 3	Total
Bonds and debentures	\$ 389,039	\$ -	\$ -	\$ 389,039
Equities	469,594	-	-	469,594
Pooled equity funds	321,786	-	-	321,786
Pooled real estate fund	-	144,527	-	144,527
Pooled mortgage fund	-	49,420	-	49,420
Short-term holdings	37,777	-	-	37,777
	\$ 1,218,196	\$ 193,947	\$ -	\$ 1,412,143

Assets at fair value as at December 31, 2009

	Level 1	Level 2	Level 3	Total
Bonds and debentures	\$ 381,849	\$ -	\$ -	\$ 381,849
Equities	406,357	-	-	406,357
Pooled equity funds	277,221	-	-	277,221
Pooled real estate fund	-	101,686	-	101,686
Pooled mortgage fund	-	28,560	-	28,560
Short-term holdings	29,581	-	-	29,581
	\$ 1,095,008	\$ 130,246	\$ -	\$ 1,225,254

During the year, no investments were transferred between levels.

(e) Financial risk management

WCB is exposed to certain financial risks related to its financial assets and liabilities. These financial risks, which include market risk, credit risk and liquidity risk, are managed by having a Statement of Investment Policies and Goals (SIP&G) that provides guidelines to the investment managers for the asset mix of the portfolio regarding quality and quantity of investments using a prudent person approach. The asset mix helps reduce the impact of market fluctuations by requiring investments in different asset classes and in domestic and foreign markets.

The Board Members annually review the SIP&G and receive regular reporting from the investment manager and custodian regarding compliance with the SIP&G.

(i) Market risk

WCB invests in publicly traded equities available on domestic and foreign exchanges and in privately traded pooled funds. Market risk is the risk that the fair value of these financial instruments will decline because of changes in market prices. Market prices can change as a result of changes in equity prices, interest rates, or foreign exchange rates. WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

Equity price risk

WCB is exposed to changes in equity prices in Canadian, U.S. EAFE, and global markets. In the SIP&G, WCB limits its investment concentration in any one investee or related group of investees to 10% of the investee's share capital. In addition, no one holding can represent more than 10% of the fair value of WCB's equity portfolio. Investment in pooled funds shall not exceed 10% of the fair value of that pooled fund unless provision has been made to transfer assets out of the fund in kind. Individual equity holdings are diversified by geographic region and industry type.

The following table indicates the approximate change that would be expected to other comprehensive income based on changes in WCB's benchmark indices at December 31, 2010:

(Thousands of dollars)

Change in Equity Benchmarks	10% Change	
	2010	2009
S&P/TSX Composite Index	\$ 39,561	\$ 33,854
S&P 500 Index	8,183	6,795
MSCI EAFE Index	10,074	7,315
World (ex-Canada) Index	15,099	7,750
S&P/TSX Small Cap Index	6,045	5,032

Interest rate risk

WCB is exposed to fluctuations in interest rates that can impact the fair value of its bonds and debentures. Interest rate risk is minimized by managing the duration of the bonds and debentures within predetermined prudent policy limits. Duration is a measure used to estimate the extent market values of bonds and debentures change with a change in interest rates. Using this measure, it is estimated that a 1% increase in interest rates would decrease other comprehensive income by approximately \$25,271,000 at December 31, 2010 (2009 - \$24,056,000), representing 6.5% (2009 - 6.3%) of the \$389,039,000 (2009 - \$381,849,000) fair value of bonds and debentures.

Foreign exchange risk

WCB has certain investments denominated in foreign currencies. During 2010 WCB did not undertake hedging strategies to mitigate currency risk of foreign equities, and currency influenced short-term returns. In the SIP&G, WCB limits its holdings in foreign equities to 32% of the investment portfolio. As at December 31, 2010, WCB's holdings in foreign equities and pooled equity funds had a fair value of \$338,151,000 (2009 - \$290,766,000) representing 23.2% (2009 - 22.1%) of the fair value of the total investment portfolio, including cash equivalents. At December 31, 2010, it is estimated that a 10% appreciation in the Canadian dollar versus the U.S. dollar and the EAFE currencies would result in an increase in other comprehensive income of approximately \$33,815,000 (2009 - \$29,077,000).

(ii) Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. WCB's credit risk arises primarily from cash equivalents, receivables, accrued interest, fixed term investments and the mortgage pooled fund. The maximum credit exposure related to these financial instruments is \$501,719,000 (2009 - \$499,679,000) which is managed through the minimum quality standards for investments set in WCB's SIP&G. The SIP&G allows for a maximum of 15% to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For cash equivalents, the minimum quality standard is R-1. The SIP&G also specifies that there shall be no bond holdings from one issuer, other than the Government of Canada or a Canadian province, over 10% of the market value of the bond investment portfolio. WCB does not anticipate that any issuers will fail to meet their obligations. A provision for credit losses in receivables is maintained in an allowance account that is periodically reviewed by WCB (note 4).

Credit ratings for the bonds and debentures are as follows:

(Thousands of dollars)

Credit Rating	2010		2009	
	Carrying Value	Percent of Portfolio	Carrying Value	Percent of Portfolio
AAA	\$ 165,030	42.4%	\$ 147,000	38.5%
AA	117,997	30.3%	120,347	31.5%
A	84,356	21.7%	94,802	24.8%
BBB	21,656	5.6%	19,700	5.2%
	\$ 389,039		\$ 381,849	

(iii) Liquidity risk

Liquidity risk is the risk that WCB is unable to meet its financial obligations. Cash resources are managed daily based on anticipated cash flows. Payables and accrued liabilities are short-term in nature and due within one year. The cash flow to pay claims benefits is disclosed in note 9 and to pay annuity funds is disclosed in note 10. WCB generally maintains positive cash flows through cash generated from premiums received and from investing activities.

6. PROPERTY, PLANT AND EQUIPMENT:

(Thousands of dollars)

	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
Land	\$ 1,375	\$ -	\$ 1,375	\$ 1,375
Building	14,017	6,408	7,609	7,960
Leasehold improvements	6,112	2,668	3,444	3,814
Office furnishings	5,236	4,524	712	694
Computer equipment	13,056	12,315	741	637
	\$ 39,796	\$ 25,915	\$ 13,881	\$ 14,480

Amortization for the year is \$1,428,000 (2009 - \$1,408,000).

7. OTHER ASSETS:

(Thousands of dollars)

	2010	2009
Intangible assets	17,138	5,166
Net accrued pension benefit asset (note 15)	7,602	8,211
Prepaid expenses	292	239
	\$ 25,032	\$ 13,616

Intangible Assets

Intangible assets are comprised of the following:

(Thousands of dollars)

	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
System development	\$ 46,181	\$ 29,043	\$ 17,138	\$ 5,166

Amortization for the year is \$2,086,000 (2009 - \$2,084,000). During the year, \$14,058,000 (2009 - \$5,341,000) of internally generated system development costs were capitalized including \$12,593,000 (2009 - \$2,682,000) that is unamortized at the end of year. The total unamortized system development at the end of the year is \$15,275,000 (2009 - \$2,682,000).

8. PAYABLES AND ACCRUED LIABILITIES:

(Thousands of dollars)

	2010	2009
Occupational Health & Safety	\$ 9,300	\$ 9,654
Other payables	7,644	3,023
Employee benefits liability	5,804	5,195
Premium refunds	4,688	4,644
Worker's Advocate	812	764
Accrued investment purchases	434	5,129
	\$ 28,682	\$ 28,409

9. BENEFITS LIABILITIES AND CLAIM COSTS EXPENSE:

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2010 including the present value of expected future costs plus provision for adverse deviations. The resulting liability is considered an indicator of fair value since there is no market for the trading of benefit liabilities.

Benefits liabilities are determined in accordance with standards established by the Canadian Institute of Actuaries. Future benefits payments have been discounted to their present value by applying a discount rate of 5.75% per annum. The determination of the future benefits payments involves applying economic and actuarial assumptions and methods, based on past experience, modified for current trends. As these assumptions may change over time to respond to economic conditions or administrative policies and practices, it is possible that such changes could cause a material change to the actuarial present value of future benefits.

Long-term economic and actuarial assumptions and methods are reviewed annually, prior to the independent actuarial valuations.

The following long-term economic assumptions were used in the actuarial valuation of the benefits liabilities.

	2010	2009
Inflation	2.50%	2.50%
Expected future growth in gross wages	3.50%	3.50%
Expected future increase in health care costs	7.00%	6.00%
Discount rate	5.75%	6.00%

The current year's claim costs expense includes the actuarial cost of claims for reported and unreported work related injuries that occurred during the year and adjustments, if any, resulting from the continuous review of entitlements and experience or from changes in legislation and actuarial assumptions or methods.

Benefits Liabilities Continuance Schedule

(Thousands of dollars)

	2010						2009
	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	Total
BALANCE,							
beginning of year	\$ 136,614	\$ 483,591	\$ 79,538	\$ 220,723	\$ 27,308	\$ 47,884	\$ 995,658
ADD:							
Claim costs incurred:							
Current year injuries	58,070	24,762	7,199	65,919	3,355	9,365	169,103
Prior years' injuries	1,191	(15,873)	12,599	56,076	2,141	3,531	53,651
	59,261	8,889	19,798	121,995	5,496	12,896	228,335
DEDUCT:							
Claim payments made:							
Current year injuries	23,642	532	508	23,043	136	2,993	49,973
Prior years' injuries	39,438	46,656	10,295	43,525	4,154	7,806	151,874
	63,080	47,188	10,803	66,568	4,290	10,799	202,728
BALANCE,							
end of year	\$ 132,795	\$ 445,292	\$ 88,533	\$ 276,150	\$ 28,514	\$ 49,981	\$ 1,021,265

The table below shows the cash flows anticipated to pay benefits to existing claimants in future years. The estimated cash outflows are the present value of future amounts forecast to pay benefits and have been determined using the above long-term assumptions.

(Thousands of dollars)

2011 - 2015	\$ 483,553
2016 - 2020	236,093
2021 - 2025	132,052
2026 - 2030	74,022
2031 - 2035	42,078
2036 and beyond	53,467
	<u>\$ 1,021,265</u>

The following is a reconciliation of the benefits liabilities:

(Thousands of dollars)

	2010	2009
BALANCE, beginning of year	\$ 995,658	\$ 969,545
ADD:		
Provision for current year injuries	168,670	169,103
Provision for prior years' injuries		
Change in actuarial assumptions	31,422	188
Interest allocated	55,184	53,773
Prior years' claim cost experience higher (lower) than expected	(21,422)	14,030
Effect of actual cost of living adjustment lower than expected	(5,519)	(14,340)
	<u>228,335</u>	<u>222,754</u>
DEDUCT:		
Benefit payments	191,929	186,099
Claim adjudication expense	10,799	10,542
	<u>202,728</u>	<u>196,641</u>
BALANCE, end of year	<u>\$1,021,265</u>	<u>\$ 995,658</u>

Sensitivity of Actuarial Assumptions

The benefits liabilities are calculated based on actuarial assumptions. Changes in these assumptions can cause significant changes in the benefits liabilities. This sensitivity is illustrated for selected actuarial assumptions as follows:

The actuarial assumption most sensitive to change is the assumed investment return of 5.75 percent. The approximate impact of a 0.5 percent decrease in the assumed investment return results in a \$41,322,000 increase in the benefits liabilities.

Health Care benefits liabilities are calculated assuming a future rate of escalation of health care costs of 7.0 percent per year. A 0.5 percent increase in the escalation factors used for future health care costs would increase benefits liabilities by approximately \$16,329,000.

Calculation of the benefits liabilities for the loss of earnings benefit utilizes WCB's injured worker claim termination experience. A flat reduction of 5.0 percent in these termination rates would increase benefits liabilities by approximately \$8,915,000.

Calculation of the benefits liabilities for long-term disability and survivor benefits was based on Saskatchewan mortality experience. A flat reduction of 5.0 percent in these mortality rates would increase benefits liabilities by approximately \$1,233,000.

10. ANNUITY FUND PAYABLE:

(Thousands of dollars)

	2010	2009
BALANCE, beginning of year	\$ 163,686	\$ 158,921
ADD: Contributions		
Principal	5,929	5,925
Interest	2,873	5,958
	8,802	11,883
DEDUCT: Payouts		
Principal	3,212	2,975
Interest	4,170	4,143
	7,382	7,118
BALANCE, end of year	\$ 165,106	\$ 163,686

The table below shows the cash flows anticipated to pay annuity funds to existing claimants in future years. The estimated cash outflows have been determined based on the age of the claimants that existed at December 31, 2010.

(Thousands of dollars)

2011 - 2015	\$	35,614
2016 - 2020		41,870
2021 - 2025		41,060
2026 - 2030		27,181
2031 - 2035		10,349
2036 and beyond		9,032
	\$	165,106

Due to the nature of the annuity fund payable, its carrying value at December 31 approximates fair value.

11. RESERVES:

(Thousands of dollars)

	2010			2009	
	Disaster Reserve	Occupational Disease Reserve	Second Injury & Re-employment	Total	Total
BALANCE, beginning of year	\$ 19,913	\$ 29,870	\$ 9,957	\$ 59,740	\$ 58,173
Appropriation from Injury Fund	513	767	256	1,536	1,567
Appropriation to fund cost relief for employers	13,349	-	12,790	26,139	23,346
Allocations for cost relief for employers	(13,349)	-	(12,790)	(26,139)	(23,346)
BALANCE, end of year	\$ 20,426	\$ 30,637	\$ 10,213	\$ 61,276	\$ 59,740

To maintain a funded status that is consistent with the statutory requirements of the Act, WCB has a funding policy that determines the extent of reserves to be held. The current funding policy, approved December 2007, maintains the following reserves and specifies that they be determined based on the current benefits liabilities.

(a) The Disaster Reserve will provide all employers with cost relief in the event of a disaster and will cover potential volatility in rare but very severe disasters as well as less severe disasters that meet the requirements of the Act. In total, the funding policy specifies two percent of benefits liabilities for this reserve.

(b) The Occupational Disease Reserve will cover costs that may arise from latent occupational diseases where exposure today may result in the establishment of a future claim. The funding policy specifies a rate of three percent of benefits liabilities for this reserve.

(c) The Second Injury and Re-employment Reserve will provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining. The funding policy specifies one percent of benefit liabilities for this reserve.

12. PREMIUMS:

(Thousands of dollars)

	2010	2009
Premiums	\$ 251,590	\$ 255,374
Experience Rating Program - discounts	(21,862)	(21,699)
Experience Rating Program - surcharges	21,621	21,578
Other premium related costs	(390)	(81)
	\$ 250,959	\$ 255,172

The Experience Rating Program was introduced to provide an incentive for employers to emphasize safety and injury prevention in the workplace. Based on an analysis of an employer's claim history over a three year period, the experience rate is calculated at the same time as annual rates and applied to the employer's base industry premium rate for the following year. Employers may receive discounts off their premiums for good claims records or may be surcharged for their poor claims records.

The Government of Canada is a self-insured employer whose claims are administered by WCB. The Government reimburses WCB for all claims paid out on their behalf plus an administration fee. Gross premiums reported are net of amounts received from the Government of Canada and accordingly claim costs do not include self-insured claims. Monies paid to WCB for reimbursement of these claims are reflected in the Statement of Cash Flows as cash received from premiums and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf. The total Government of Canada self-insured claim costs in 2010 were \$6,165,000 (2009 - \$4,902,000).

13. SAFETY AND PREVENTION:*(Thousands of dollars)*

	2010	2009
Occupational Health & Safety	\$ 9,300	\$ 9,654
Safety Associations	6,985	6,060
WorkSafe Saskatchewan	1,097	890
	\$ 17,382	\$ 16,604

Section 117(g) of the Act allows WCB to expend monies for the cost of administration of the industrial safety program.

WCB levies an additional premium on certain industry groups to collect funds which are used to fund the safety associations representing those industries. In 2010, funds were collected on behalf of and disbursed to the Saskatchewan Forest Industries Safety Association Inc., Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Agricultural Manufacturers of Canada, Association for Safe Workplaces in Health, Motor Safety Association of Saskatchewan Inc., Manufacturing Safety Association, and Enform.

14. LEGISLATIVE OBLIGATIONS:*(Thousands of dollars)*

	2010	2009
Worker's Advocate	\$ 812	\$ 764
Committee of Review	13	-
	\$ 825	\$ 764

Section 117(h) and (i) of the Act allows WCB to expend monies for the expenses, including salaries and remuneration, of the office of the Worker's Advocate; and the expenses of any Committee of Review established under the Act.

15. EMPLOYEE FUTURE BENEFITS:

WCB sponsors defined benefit and defined contribution pension arrangements covering all employees. For the defined benefit pension plan the WCB uses actuarial reports prepared by an independent actuary for accounting purposes. The net defined benefit plan expense is based on an extrapolation of the results in the most recent actuarial valuation of the pension plan as at December 31, 2009. The following significant actuarial assumptions were employed to determine the net benefit plan expense and accrued benefit obligations:

(Thousands of dollars)

	2010	2009
Expected long-term rate of return on plan assets	4.50%	5.85%
Discount rate	4.50%	5.85%
Average rate of compensation increase	3.25%	3.25%
Average remaining service period	1 year	1.73 years
Inflation	2.25%	2.25%

Net benefit plan expense is included in Salaries and employee benefits in Schedule 1 and is as follows:

(Thousands of dollars)

	2010	2009
Current service cost - defined benefit	\$ 134	\$ 164
Interest cost	1,803	1,870
Expected return on plan assets	(1,976)	(2,107)
Amortization of net actuarial loss	1,290	1,329
Amortization of net transitional asset	(571)	(878)
Net benefit plan expense	\$ 680	\$ 378

Information about WCB's defined benefit pension plan is as follows:

(Thousands of dollars)

	2010	2009
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	\$ 31,502	\$ 28,236
Current service cost - employer share	134	164
Current service cost - employee share	56	77
Interest cost	1,803	1,870
Actuarial gain	-	(495)
Change in actuarial assumptions	4,605	3,189
Benefits paid	(1,746)	(1,539)
Accrued benefit obligation, end of year	\$ 36,354	\$ 31,502
Plan Assets		
Fair value of plan assets, beginning of year	\$ 34,593	\$ 31,944
Expected return on plan assets	1,976	2,107
Employer contributions	71	-
Employee contributions	56	77
Benefits paid	(1,746)	(1,539)
Actuarial gain	1,372	2,004
Fair value of plan assets, end of year	\$ 36,322	\$ 34,593
Plan surplus (deficit)	\$ (32)	\$ 3,091
Unamortized net actuarial loss	7,634	5,691
Unamortized net transitional asset	-	(571)
Net accrued pension benefit asset (note 7)	\$ 7,602	\$ 8,211

The asset allocation of the defined benefit pension plan assets is as follows:

(Thousands of dollars)

Asset Category	Target Range	Percent of Plan Assets	
		2010	2009
Short term investments	0 - 30%	4%	4%
Bonds and debentures	30 - 60%	41%	43%
Canadian equities	15 - 35%	27%	28%
Foreign equities	15 - 35%	28%	25%
Mortgages	0 - 5%	0%	0%

WCB also has employees who are members of a defined contribution plan. WCB's financial liability is limited to matching employee contributions of seven percent to the plan. During the year, WCB incurred costs of \$1,955,000 (2009 - \$1,875,000) related to its defined contribution plan.

16. RELATED PARTY TRANSACTIONS:

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to WCB by virtue of common influence by the Government of Saskatchewan.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms.

These transactions, and amounts outstanding at year-end, are as follows:

(Thousands of dollars)

	2010	2009
Premium revenue	\$ 49,195	\$ 49,966
Claims costs	12,194	12,363
Payables and accrued liabilities	10,601	10,889
Investments	10,481	10,360
Administration expenses	1,089	1,193
Investment income	733	604
Receivables	130	128

17. CONTINGENCIES:

Due to the size, complexity and nature of WCB's operations various appeals and legal matters are pending. In the opinion of management, these matters will not have a material effect on WCB's financial position or results of operations.

18. CAPITAL MANAGEMENT:

WCB's objectives when managing capital are to build a Funded Position that supports the long-term financial stability of WCB and to ensure sufficient funds are available to meet required benefit levels and reduce the fluctuations in the average premium rate.

The process for managing WCB's Funded Position is determined based on its approved funding policy. The funding policy establishes guidelines for the maintenance of a fully funded status and has set the target range for the Injury Fund at 5% to 20% of Benefits Liabilities.

WCB monitors its funded status on the basis of its funding percentage. Based on the funding policy, the funding percentage is calculated as the Benefits Liabilities plus the balance in the Injury Fund, divided by the Benefits Liabilities.

The funding percentages at December 31 were as follows:

(Thousands of dollars)

	2010	2009
Injury Fund	\$ 121,591	\$ 111,016
Benefits Liabilities	\$ 1,021,265	\$ 995,658
Injury Fund as a percentage of Benefits Liabilities	11.9%	11.2%
Funding percentage	111.9%	111.2%

19. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:

The fair value of financial assets and liabilities other than investments (note 5), benefits liabilities (note 9), and annuity fund payable (note 10) approximates carrying value due to their immediate or short term nature.

20. COMPARATIVE FIGURES:

Certain comparative figures have been reclassified to conform to the current year's presentation.

schedule 1 –

ADMINISTRATION EXPENSES

(Thousands of dollars)

	2010	2009
Salaries and employee benefits	\$ 35,030	\$ 33,558
Amortization	3,514	3,492
Building operations	1,564	1,488
Computer services	1,350	1,222
Communications and postage	1,024	894
Travel and automobile expenses	656	709
Office rental	636	635
Printing and office expenses	615	676
Consulting services	554	759
Professional services	506	586
Community relations	156	164
Market research	141	124
Advertising	98	88
Miscellaneous	63	53
	45,907	44,448
Less:		
Fees charged to self-insurers	1,765	1,364
	44,142	43,084
Less:		
Administration costs charged to Future Benefits		
Administration (note 9)	10,799	10,542
	\$ 33,343	\$ 32,542

exhibit 1:

STATEMENT OF INVESTMENTS (UNAUDITED)

(Thousands of dollars)			(Thousands of dollars)		
Security	Fair Value	Carrying Value	Security	Fair Value	Carrying Value
Discount Notes and Treasury Bills			Solus Corp.	4,008	4,940
Maturity greater than 90 days	\$ 37,894	\$ 37,777	Sovelin Gas	1,533	1,760
Government of Canada	37,339	41,345	Thompson Reuters	5,692	5,673
95 School Board Trust	1,422	1,678	Ten Holdings Inc.	2,262	2,321
Alberta Capital Fin Authority	3,298	3,487	Toronto Dominion Bank	3,478	3,946
Municipal Finance Authority British Columbia	12,582	13,647	TransCanada Pipelines Ltd.	970	1,283
Ontario Infrastructure	3,800	3,869	Wells Fargo Financial Canada Corp.	3,875	3,903
Province of British Columbia	8,092	12,780	Templeton Global Equity Trust		150,387
Province of Manitoba	3,504	3,634	Gemstone LAFV Plus Fund		95,709
Province of New Brunswick	3,333	3,222	Gemstone Canadian Equity Small Cap Fund		75,090
Province of Newfoundland & Labrador	2,733	2,490	Gemstone Real Estate Fund Inc.		144,527
Province of Nova Scotia	2,598	2,638	Gemstone Mortgage Fund		49,470
Province of Ontario	50,935	58,430	Agrium Inc.		9,357
Province of Quebec	8,362	12,786	Bank of Montreal		9,637
Province of Saskatchewan	8,629	10,481	Bank of Nova Scotia		96,787
407 International	4,834	4,707	Baytex Energy Trust		4,020
Atlantic Pipeline	1,186	1,382	BCE Inc.		3,378
Bank of Montreal	2,086	2,259	CAE Inc.		4,279
Bank of Nova Scotia	14,483	15,037	Canadian Natural Resources Ltd.		75,030
BC Ferry Services Inc.	2,470	2,656	Canadian Pacific Railway Ltd.		9,000
Bell Canada Maintenance	1,603	1,744	Canadian Tire Corporation Trust		4,447
Bonanza Infrastructure Trust	2,438	2,534	Colson Inc.		3,496
Canoe Content Disposition	1,738	1,790	Comco Energy		5,469
Canada Housing Trust	86,987	88,196	CGI Group Inc.		4,403
Canada Post Corporation	1,619	1,623	Conquest Fuel Energy Corp.		5,369
Canadian Imperial Bank of Commerce	7,780	7,955	Edmonton Gold Corp.		11,423
CDI Inc.	2,059	2,538	Farming Int'l Inc.		50
Enbridge Gas Distribution Inc.	1,867	1,339	First Quantum Minerals Ltd.		4,347
Enbridge Pipelines Inc.	2,237	2,388	Golden Harvest Inc.		3,809
Epicor Ltd.	4,862	5,462	Goldcorp Inc.		16,742
Farming Int'l Inc.	1,476	1,627	IMC Financial Corp.		6,789
GE Capital Canada Funding Co.	3,909	4,050	Ironore Gold Corporation		13,202
Greater Toronto Airports Auth.	6,680	7,362	Magna International Inc.		14,070
Great West Life Inc.	5,840	6,050	Manulife Financial Corp.		52,580
Horizon Canada Finance Inc.	2,444	2,588	Metro Inc.		4,027
Hydro One Inc.	1,566	1,677	National Bank of Canada		70,403
Hydro Quebec	5,075	7,963	Open Text Corporation		3,929
Investors Group Inc.	1,592	1,656	Pacific Rubbers Energy Corp.		8,758
John Deere Capital Corp.	2,507	2,664	Petro-Canada Energy and Resources Ltd.		4,574
Mackinac Telecom Services	305	1,070	Petrobras Ltd.		3,075
Mutual Global Funding	2,899	2,965	Potash Corp. of Saskatchewan Inc.		75,354
N-45 Drilling Ltd. CMBB Inc. Corp.	934	985	Power Corp. of Canada		19,617
National Bank of Canada	3,082	3,237	Quebec P&M Mining Ltd.		4,339
Ornge Health Trust	1,614	1,988	Research In Motion Ltd.		6,000
Plenary Health Development LP	867	1,039	Rogers Communications Inc.		6,586
PSP Capital Inc.	6,379	6,709	Royal Bank of Canada		6,903
Rogers Communications Inc.	2,229	2,797	Sagitt Inc.		3,917
Royal Bank of Canada	53,405	54,269	Sensata Inc.		3,843
Royal Office Finance	7,499	7,942	Sino Forest Corp.		6,038
Shoppers Drug Mart Corp.	1,529	1,622	SPAC Lander Group Inc.		6,349
South Coast British Columbia Transportation Authority	1,606	1,570	Suncor Energy Inc.		70,287
Sun Life Financial	3,488	3,827	Talisman Energy Inc.		3,905
TCHC Insurer Trust	2,537	2,627	Teck Resources Limited		17,982

(Thousands of dollars)

Security	Fair Value	Carrying Value
Thompson Reuters		9,280
Tra Herkens Inc.		4,520
Toronto Dominion Bank		19,435
Treasury Bill Series LMI		3,885
Unum Life Inc.		3,880
3M Company		3,800
Alcatel Inc.		3,430
Alcoa Group, Inc.		2,237
American International Group		1,644
Apple Inc.		3,354
Bank of New York Mellon Corp.		1,583
Baxter International Inc.		1,772
Berkshire Hathaway Inc.		1,689
Chesapeake Corp.		2,279
Church & Dwight Co., Inc.		1,587
Cisco Systems, Inc.		1,853
Comcast Networks Inc.		2,382
Expedia Group, Inc.		2,493
Freddie Mac Financial Inc.		2,580
Freightliner Trucks Corp. & Global Inc.		2,523
General Mills		1,768
Google Inc.		3,355
Halliburton		2,385
Home Depot International Inc.		2,274
Intel Corp.		2,452
International Business Machines Corp.		2,475
Johnson Controls, Inc.		2,582
JPMorgan Chase & Co.		1,984
McDonald's International Inc.		1,609
McDonald's Corp.		1,382
Microsoft Corp.		2,582
National Oilwell Varco Inc.		2,721
Nike		1,730
Occidental Petroleum Corp.		2,306
Oscar Corp.		3,079
Parker Hannifin Corporation		2,298
Pharos Inc.		2,037
Procter & Gamble		2,734
Trans World Systems		2,262
TD Bank Group, Inc.		1,685
U.S. Bancorp.		2,054
Union Pacific Corporation		2,764
United Therapeutics Inc.		2,175
Valiant Pharmaceuticals Inc.		2,036
Wal-Mart Stores Inc.		1,337
Waste Energy Inc.		2,584
Yum Brands Inc.		2,373
	\$ 403,243	\$ 1,402,143

(Thousands of dollars)

Security	Fair Value	Carrying Value
Discount Notes and Treasury Bills maturity greater than 90 days	\$ 37,694	\$ 37,777
Government of Canada Bonds	27,289	41,345
Provincial Government Bonds	88,153	89,536
Corporate Bonds	2,461,787	2,481,508
	\$ 2,596,923	2,649,166
Templeton Global Equity Trust		505,867
Templeton EAFE Plus Fund		35,729
Templeton Canadian Equity Small Cap Fund		75,190
Templeton Mortgage Fund		44,420
Templeton Real Estate Fund Inc.		144,527
Canadian Equities		378,329
U.S. Equities		38,455
		\$ 993,527
	\$ 403,243	\$ 1,402,143

exhibit 2:

STATEMENT OF LONG-TERM INVESTMENT DISPOSITIONS (UNAUDITED)

(Thousands of dollars)				(Thousands of dollars)			
Interest Rate %	Security	Maturity Date	Proceeds	Interest Rate %	Security	Maturity Date	Proceeds
	Discount Notes and Treasury Bills (classified as long-term investments)		\$ 374 907		Church & Dwight Co., Inc.	U.S. Equity	230
	3M Company	U.S. Equity	89		Clavin Systems, Inc.	U.S. Equity	704
5.000	407 International	January 31, 2011	1429	5.80	Clorox Inc.	May 24, 2027	579
6.01	Aeroports De Montreal	October 15, 2033	794	5.500	Clorox Inc.	May 21, 2015	848
	Aflac Inc.	U.S. Equity	439	5.543	Colson Canada	February 12, 2002	1 049
	Aglion Inc.	Canadian Equity	1 920	4.750	Consumers Waterworks Co.	April 30, 2004	2 081
4.450	Alberta Capital Fin Authority	December 15, 2025	291		Creighton Plant Energy Corp.	Canadian Equity	3 332
7.01	Albion Pipeline	June 30, 2023	449		Eldorado Gold Corp.	Canadian Equity	5 043
	Am Corp.	U.S. Equity	1 159		Encana Corporation	Canadian Equity	5 309
	Apple Inc.	U.S. Equity	500		Enbridge Energy Services Inc.	Canadian Equity	2 386
	Babcock & Wilcox Co.	U.S. Equity	762	6.000	Expensix Systems, Inc.	U.S. Equity	905
3.330	Bank of Montreal	April 27, 2015	3 689		Freemont Inc.	June 1, 2009	371
6.150	Bank of Montreal	March 28, 2023	2 330	6.200	First Quantum Minerals Ltd.	Canadian Equity	2 044
	Bank of Montreal	Canadian Equity	2 099		Frontierair Inc.	October 31, 2034	1 289
	Bank of New York Mellon Corp.	U.S. Equity	67		Franklin Resources Inc.	U.S. Equity	78
3.390	Bank of Nova Scotia	November 16, 2014	4 541	4.550	Freemont Multimarket Group & Fund Inc.	U.S. Equity	2 099
FR	Bank of Nova Scotia	March 27, 2016	290	4.750	GE Capital Canada Funding Co.	January 17, 2007	280
	Bank of Nova Scotia	Canadian Equity	1 541		GE Capital Canada Funding Co.	May 2, 2009	4 079
	Baxter Int'l Inc.	U.S. Equity	1 506	4.245	General Mills	U.S. Equity	720
	Bayer Energy Trust	Canadian Equity	48		Genzyme Trust Ltd of Credit	September 15, 2009	1 990
	BCE Inc.	Canadian Equity	1 953		Golden Acquirer Inc.	Canadian Equity	367
	Becton, Dickinson and Company	U.S. Equity	30	5.507	Global Sciences, Inc.	U.S. Equity	1 743
4.720	Bell Allnet Personal Communications	September 26, 2011	1 030		Kaiser Credit Card Trust	February 20, 2003	1 376
	Best Buy Co., Inc.	U.S. Equity	1 075		GMAC Wachovia	Canadian Equity	500
	Bombardier Inc.	Canadian Equity	1 037		GMAC AB, Leasing	Canadian Equity	444
	BorgWarner Inc.	U.S. Equity	409		GMAC, Wayne Wood	Canadian Equity	386
	Bridgeport Road Equities Inc.	Canadian Equity	1 489		Goldcorp Inc.	Canadian Equity	1 474
5.449	Brookview Credit Card Trust	June 17, 2013	1 409	1.000	Goldman Sachs Group	U.S. Equity	1 937
	Brookfield Asset Mgt	Canadian Equity	2 980	3.500	Government of Canada	September 1, 2011	9 035
	CAD Inc.	Canadian Equity	374	3.750	Government of Canada	June 1, 2010	12 540
2.750	Canada Housing Trust	December 15, 2014	37 592	4.000	Government of Canada	June 1, 2009	15 080
3.950	Canada Housing Trust	March 15, 2015	3 714	5.000	Government of Canada	June 1, 2011	3 804
3.550	Canada Housing Trust	June 15, 2014	24 903	5.750	Government of Canada	June 1, 2007	32 504
3.550	Canada Housing Trust	June 15, 2016	95 267	6.250	Canada Toronto Airport Auth	December 12, 2002	4 268
3.750	Canada Housing Trust	September 15, 2010	2 000		Canadian Canadian Equity - Small Cap Fund	Preferred Equity Fund	56 375
4.000	Canada Housing Trust	March 15, 2020	40 94		Canadian Real Estate Fund Inc.	Preferred Equity Fund	28
4.500	Canada Housing Trust	June 15, 2012	9 028		Cymbeline Corp.	U.S. Equity	1 943
4.600	Canada Housing Trust	December 15, 2012	7 324		Habibton	U.S. Equity	359
FR	Canada Housing Trust	September 15, 2011	39 368		Hansen Natural Corp.	U.S. Equity	1 205
FR	Canada Housing Trust	September 15, 2014	4 717	5.000	Horita Canada Finance Inc.	May 9, 2003	393
4.080	Canada Post Corporation	March 15, 2015	4 445	5.367	Horita Canada Finance Inc.	November 30, 2010	1 145
4.360	Canada Post Corporation	July 16, 2015	498		Horizon International Inc.	U.S. Equity	596
3.900	Canadian Imperial Bank of Commerce	July 16, 2010	893	4.000	HSBC Financial Group Ltd	May 3, 2010	1 037
3.300	Canadian Imperial Bank of Commerce	March 2, 2010	2 194	8.000	Hydro Quebec	August 15, 2010	4 018
5.850	Canadian Imperial Bank of Commerce	November 19, 2014	5 576		IMAC Financial Corp.	Canadian Equity	1 542
	Canadian National Resources Ltd	June 6, 2010	371		IMC Corp.	U.S. Equity	70
	Canadian National Resources Ltd	Canadian Equity	5 097		International Business Machines Corp.	U.S. Equity	297
	Canadian Pacific Railway Ltd	Canadian Equity	794	6.750	Ironstone Group Inc.	May 3, 2011	338
	Canadian Tax Receivables Trust	Canadian Equity	53		IPSCO Land Development	Canadian Equity	3 097
	CanWest Life Sciences	Canadian Equity	2 067		Kay West	Canadian Equity	3 330
4.600	CDP Financial Inc.	July 15, 2010	3 543		Kinross Gold Corporation	Canadian Equity	400
	Colson Inc.	Canadian Equity	620		Kinross Gold Corporation - warrants Sept 2014	Canadian Equity	178
	Continuum Energy	Canadian Equity	1 090		KS Equities Inc.	Canadian Equity	583
	CGI Group Inc.	Canadian Equity	2 963		KS Equities Inc. 2	Canadian Equity	1 969

(Thousands of dollars)				(Thousands of dollars)			
Interest Rate %	Security	Maturity Date	Proceeds	Interest Rate %	Security	Maturity Date	Proceeds
	Julien's International Inc.	Canadian Equity	4	6.250	Province of Quebec	June 1, 2032	4,423
	Lynx Mining Corp.	Canadian Equity	1,976	4.650	Province of Saskatchewan	September 5, 2017	321
	Magna International Inc.	Canadian Equity	2,308	4.750	Province of Saskatchewan	June 1, 2040	2,600
5.200	Manitoba Telecom Services	September 27, 2019	259	6.400	Province of Saskatchewan	September 5, 2031	1,088
5.501	Manulife Financial Corp.	June 26, 2015	1,600		Quadrant Mining Ltd.	Canadian Equity	1,645
	McDonald's International Inc.	U.S. Equity	75		Qualcomm Inc.	U.S. Equity	1,763
	McDonald's Corp.	U.S. Equity	88		Red Bull Mining Inc.	Canadian Equity	16,900
5.000	Merck Lytle	February 16, 2014	875		Research In Motion Ltd.	Canadian Equity	4,965
5.245	Merck Lytle	June 1, 2015	1,658		Rodick Equities Inc.	Canadian Equity	2,680
5.300	Merck Lytle	May 5, 2016	1,230		Rogers Communications Inc.	Canadian Equity	450
6.750	Merck Lytle	September 15, 2010	1,382	5.270	Royal Bank of Canada	November 10, 2014	704
6.790	Merck Lytle	April 15, 2015	1,563	3.660	Royal Bank of Canada	January 25, 2017	1,600
4.500	Multi-Global Funding	February 10, 2011	1,150	4.840	Royal Bank of Canada	March 11, 2018	660
4.850	Multi-Global Funding	May 30, 2013	347	5.200	Royal Bank of Canada	August 15, 2012	1,132
	Multi Inc.	Canadian Equity	314	5.450	Royal Bank of Canada	November 4, 2014	580
	Microsoft Corp.	U.S. Equity	35		Royal Bank of Canada	Canadian Equity	16,148
	Milton Lands	Canadian Equity	769	5.200	Royal Office Finance	November 12, 2012	33
	Mitsubishi Co.	U.S. Equity	1,100		Saputo Inc.	Canadian Equity	1,024
FR	National Bank of Canada	March 5, 2018	580		Seven Oaks Equities Inc.	Canadian Equity	3,527
	National Bank of Canada	Canadian Equity	3,870		Shaw Communications Inc.	Canadian Equity	6,669
4.150	Niederhoffer Investment NY Bank	February 15, 2019	1,674		Shoppers Drug Mart Corp.	Canadian Equity	7,044
4.700	New York Life NY Central LLC	April 20, 2011	1,776		Sino Forest Corp.	Canadian Equity	467
	Nico	U.S. Equity	497		SNC-Lavalin Group Inc.	Canadian Equity	4,367
	Occidental Petroleum Corp.	U.S. Equity	688	FR	Sun Life Financial	November 23, 2015	640
	Odyssey International Inc.	U.S. Equity	1,078		Suncor Energy Inc.	Canadian Equity	1,336
5.570	Orion Inc.	April 9, 2010	3,727		Sunrise Town Square	Canadian Equity	856
	Open Text Corporation	Canadian Equity	672		TV Equities	Canadian Equity	1,609
	Orion Corp.	U.S. Equity	675		Takson Energy Inc.	Canadian Equity	5,467
	Pacific Petroleum Energy Corp.	Canadian Equity	3,728	FR	TD Capital	December 31, 2014	3,430
	Papineau Inc.	U.S. Equity	1,838		Teck Resources Limited	Canadian Equity	5,368
	Petro-Canada Energy Ltd.	Canadian Equity	3,432	5.950	Telus Corp.	April 15, 2015	495
	Petro-Canada Energy and Resources Ltd.	Canadian Equity	3,845		Templeton Global Equity Fund	Prokred Equity Fund	35,078
	Portland Street	Canadian Equity	3,781	6.000	Thompson Reuters	March 31, 2016	2,588
	Polish Corp. of Saskatchewan Inc.	Canadian Equity	8,003		Thompson Reuters	Canadian Equity	5,703
	Polys Corp. of Canada	Canadian Equity	3,512		Tibury Island Equities	Canadian Equity	976
	Procter Inc.	U.S. Equity	75		Tim Hortons Inc.	Canadian Equity	2,245
3.700	Province of British Columbia	December 16, 2010	2,624		Time Warner Inc.	U.S. Equity	1,614
4.100	Province of British Columbia	December 16, 2014	718		TLC Companies, Inc.	U.S. Equity	484
4.800	Province of British Columbia	June 15, 2014	1,129	4.779	Toronto Dominion Bank	December 14, 2015	2,559
5.700	Province of British Columbia	June 15, 2014	3,108	5.480	Toronto Dominion Bank	April 2, 2020	325
4.750	Province of Manitoba	February 15, 2010	5,888		Toronto Dominion Bank	Canadian Equity	1,194
4.500	Province of New Brunswick	March 26, 2017	385	6.290	TransCanada Pipelines Ltd.	February 5, 2016	270
4.500	Province of Newfoundland & Labrador	April 17, 2017	3,215		Transcan Ltd.	U.S. Equity	2,047
5.400	Province of Newfoundland & Labrador	October 17, 2013	1,610		Transcan Well Service Ltd.	Canadian Equity	50
5.800	Province of Nova Scotia	June 1, 2013	330		Ultra Petroleum Corp.	U.S. Equity	1,623
4.000	Province of Ontario	June 2, 2015	4,387	5.200	Union Gas Limited	July 23, 2010	560
4.300	Province of Ontario	March 5, 2017	1,406		Verant Medical Systems Inc.	U.S. Equity	1,889
4.400	Province of Ontario	March 5, 2016	5,257		Wal-Mart Stores Inc.	U.S. Equity	602
4.600	Province of Ontario	June 2, 2014	1,357		Walter Energy Inc.	U.S. Equity	1,097
6.250	Province of Ontario	June 2, 2013	6,393	3.970	Wells Fargo Financial Canada Corp.	November 3, 2014	510
6.500	Province of Ontario	March 5, 2014	6,740		Westfield Calgary	Canadian Equity	2,933
4.500	Province of Quebec	December 1, 2016	3,887	5.35	Woodbridge Finance	October 18, 2010	1,202
4.500	Province of Quebec	December 1, 2014	5,696		Yum! Brands Inc.	U.S. Equity	201
4.500	Province of Quebec	December 1, 2010	605				
5.500	Province of Quebec	December 1, 2014	7,868				

exhibit 3:

STATEMENT OF LONG-TERM INVESTMENT ACQUISITIONS (UNAUDITED)

(thousands of dollars)

Interest	Rate %	Security	Maturity Date	Par Value	Purchase Price
		Discount Notes and Treasury Bills (classified as long term investments)		\$	392,999
		3M Company	U.S. Equity		274
3.870		407 International	November 24, 2017	3,062	3,061
4.990		407 International	June 16, 2020	1,771	1,770
		Aflac Inc.	U.S. Equity		107
		Agrium Inc.	Canadian Equity		4,521
		Altria Group, Inc.	U.S. Equity		2,275
		American International Corporation	U.S. Equity		1,626
		Apple Inc.	U.S. Equity		109
		Babcock & Wilcox Co.	U.S. Equity		795
3.490		Bank of Montreal	June 10, 2023	1,736	1,736
FR		Bank of Montreal	June 10, 2011	550	550
3.930		Bank of Montreal	April 27, 2015	3,754	3,754
		Bank of Montreal	Canadian Equity		12,470
		Bank of New York Mellon Corp.	U.S. Equity		52
3.250		Bank of Nova Scotia	November 18, 2014	752	781
4.100		Bank of Nova Scotia	August 6, 2017	3,401	3,473
FR		Bank of Nova Scotia	March 27, 2016	793	842
		Bank of Nova Scotia	Canadian Equity		1,529
		Baytex Energy Trust	Canadian Equity		3,268
		BCE Inc.	Canadian Equity		601
		Becton, Dickinson and Company	U.S. Equity		54
		Best Buy Co., Inc.	U.S. Equity		485
		Bombardier Inc.	Canadian Equity		1,698
		BorgWarner Inc.	U.S. Equity		1,576
		CAE Inc.	Canadian Equity		308
3.788		Canada Central Development	June 8, 2015	1,736	1,736
FR		Canada Housing Trust	March 15, 2016	5,343	5,344
2.750		Canada Housing Trust	December 15, 2014	37,717	37,541
2.750		Canada Housing Trust	December 15, 2015	10,323	10,300
2.950		Canada Housing Trust	March 15, 2015	3,138	3,136
FR		Canada Housing Trust	March 15, 2015	14,341	14,314
3.150		Canada Housing Trust	June 15, 2014	2,305	2,303
3.150		Canada Housing Trust	June 15, 2015	32,389	32,316
3.550		Canada Housing Trust	September 15, 2010	2,000	2,008
3.750		Canada Housing Trust	March 15, 2020	7,056	6,995
4.000		Canada Housing Trust	June 15, 2012	4,902	5,100
4.550		Canada Housing Trust	December 15, 2012	1,074	1,148
4.600		Canada Housing Trust	September 15, 2018	48,447	50,254
4.080		Canada Post Corporation	July 16, 2025	685	685
4.300		Canada Post Corporation	July 16, 2040	1,624	1,623
3.100		Canadian Imperial Bank of Commerce	March 7, 2015	2,210	2,160
3.950		Canadian Imperial Bank of Commerce	July 14, 2017	5,635	5,668
		Canadian Natural Resources Ltd.	Canadian Equity		963
		Canadian Pacific Railway Ltd.	Canadian Equity		8,743
		Canadian Tire Retailer Trust	Canadian Equity		3,728
4.600		CD Financial Inc.	July 15, 2020	3,405	3,428
		Celadon Inc.	Canadian Equity		775
		Centrica Energy	Canadian Equity		454
		CGI Group Inc.	Canadian Equity		349
		Chevron Corp.	U.S. Equity		2,045
		Church & Dwight Co., Inc.	U.S. Equity		58
		Cisco Systems, Inc.	U.S. Equity		79

(thousands of dollars)

Interest	Rate %	Security	Maturity Date	Par Value	Purchase Price
		Corpor Industries plc	U.S. Equity		2,023
		Crescent Point Energy Corp.	Canadian Equity		452
4.947		CU Inc.	November 18, 2050	949	949
		Eaton Gold Corp.	Canadian Equity		2,457
4.950		Enbridge Gas Distribution Inc.	November 22, 2050	1,362	1,379
		Encana Corporation	Canadian Equity		566
		Express Scripts, Inc.	U.S. Equity		752
		Finning Int'l Inc.	Canadian Equity		62
		First Quantum Minerals Ltd.	Canadian Equity		1,074
		Franklin Resources Inc.	U.S. Equity		449
		Freeport-McMoRan Copper & Gold Inc.	U.S. Equity		923
		General Mills	U.S. Equity		67
		Golden Arrowwear Inc.	Canadian Equity		4,846
		Goldcorp Inc.	Canadian Equity		1,778
		Google Inc.	U.S. Equity		3,024
		Government of Canada	September 1, 2018	4,684	4,671
		Government of Canada	June 1, 2020	4,722	4,717
		Government of Canada	June 1, 2020	29,653	30,373
		Government of Canada	June 1, 2019	10,403	10,543
		Government of Canada	June 1, 2041	3,452	3,697
		Government of Canada	June 1, 2037	21,206	21,554
		Government of Canada	June 1, 2029	8,948	11,319
		Greater Toronto Airports Auth.	April 17, 2018	365	410
		Greater Toronto Airports Auth.	December 6, 2013	3,416	4,252
		Great West Life Inc.	August 13, 2020	2,377	2,401
		Great West Life Inc.	June 21, 2067	956	1,008
		Greystone Canadian Equity - Retail Cap Fund	Pooled Equity Fund		781
		Greystone EAFE Plus Fund	Pooled Equity Fund		25,384
		Greystone Mortgage Fund	Pooled Equity Fund		20,431
		Greystone Real Estate Fund Inc.	Pooled Equity Fund		31,713
		Gymboree Corp.	U.S. Equity		156
		Halliburton	U.S. Equity		88
		Honeywell International Inc.	U.S. Equity		541
		Intact Financial Corp.	Canadian Equity		547
		Intel Corp.	U.S. Equity		352
		International Business Machines Corp.	U.S. Equity		93
		Johnson Controls, Inc.	U.S. Equity		1,817
		JPMorgan Chase & Co.	U.S. Equity		1,766
		Kinross Gold Corporation	Canadian Equity		14,362
		Kinross Gold Corporation - warrants Sept/14	Canadian Equity		195
		Lululemon Athletica Inc.	Canadian Equity		4
		Lundin Mining Corp.	Canadian Equity		167
		Magna International Inc.	Canadian Equity		10,417
		Manulife Financial Corp.	Canadian Equity		11,468
		McDermott International, Inc.	U.S. Equity		268
		McDermott's Corp.	U.S. Equity		68
		MetLife Global Funding	December 3, 2012	1,389	1,387
		MetLife Inc.	Canadian Equity		997
		Microsoft Corp.	U.S. Equity		598
FR		National Bank of Canada	March 8, 2011	550	550
		National Bank of Canada	Canadian Equity		398
		National Oilwell Varco Inc.	U.S. Equity		1,772
		Nike	U.S. Equity		71
		Occidental Petroleum Corp.	U.S. Equity		94

(Thousands of dollars)

Interest Rate %	Security	Maturity Date	Par Value	Purchase Price
	Open Text Corporation	Canadian Equity	351	
	Oracle Corp.	U.S. Equity	90	
	Pacific Rubiales Energy Corp.	Canadian Equity	1,976	
	Parker-Hannifin Corporation	U.S. Equity	2,953	
	Pepperco Inc.	U.S. Equity	43	
	Petrobank Energy Ltd.	Canadian Equity	379	
	Petrobank Energy and Resources Ltd.	Canadian Equity	855	
	Petromineries Ltd.	Canadian Equity	2,381	
	Pfizer Inc.	U.S. Equity	1,960	
	Potash Corp. (of Saskatchewan Inc.)	Canadian Equity	15,675	
	Power Corp. of Canada	Canadian Equity	1,251	
	Praxair Inc.	U.S. Equity	712	
3.700	Province of British Columbia	December 18, 2020	4,366	4,375
4.100	Province of British Columbia	December 18, 2019	4,994	5,002
4.300	Province of British Columbia	June 18, 2042	1,552	1,557
5.700	Province of British Columbia	June 18, 2029	1,346	1,626
4.150	Province of Manitoba	June 3, 2020	1,576	2,078
4.600	Province of Manitoba	March 5, 2038	1,526	1,631
4.500	Province of New Brunswick	June 3, 2020	1,153	1,153
5.600	Province of Newfoundland & Labrador	October 17, 2020	875	1,022
4.700	Province of Nova Scotia	June 1, 2041	1,220	1,266
4.200	Province of Ontario	June 2, 2020	16,607	16,589
4.300	Province of Ontario	March 8, 2017	1,353	1,366
6.200	Province of Ontario	June 2, 2031	6,628	7,324
4.500	Province of Quebec	December 1, 2019	11,520	11,434
4.500	Province of Quebec	December 1, 2020	9,324	9,721
5.750	Province of Quebec	December 1, 2036	1,531	1,728
3.900	Province of Saskatchewan	July 28, 2020	1,165	1,162
6.400	Province of Saskatchewan	September 5, 2021	1,905	2,387
4.570	PSP Capital Inc.	December 9, 2013	235	253
	Quadrant Mining Ltd.	Canadian Equity	5,430	
	Red Back Mining Inc.	Canadian Equity	2,330	
	Research In Motion Ltd.	Canadian Equity	1,223	
4.700	Rogers Communications Inc.	September 23, 2020	742	754
6.110	Rogers Communications Inc.	August 25, 2040	1,467	1,486
	Rogers Communications Inc.	Canadian Equity	2,701	
3.600	Royal Bank of Canada	January 25, 2017	8,040	8,079
	Royal Bank of Canada	Canadian Equity	1,569	
	Sagunto Inc.	Canadian Equity	379	
	Semako Inc.	Canadian Equity	4,203	
	Show Communications Inc.	Canadian Equity	409	
	Shoppers Drug Mart Corp.	Canadian Equity	270	
	Sino-Forest Corp.	Canadian Equity	446	
	SNC-Lavalin Group Inc.	Canadian Equity	631	
3.800	South Coast British Columbia Transportation Authority	November 2, 2020	1,605	1,604
	Suncor Energy Inc.	Canadian Equity	7,769	
	Talisman Energy Inc.	Canadian Equity	502	
5.395	TCHC Insured Trust	February 22, 2040	1,504	1,504
	Tec Resources Limited	Canadian Equity	4,088	
	Templeton Global Equity Trust	Pooled Equity Fund	10,153	
4.300	Thompson Reuters	September 30, 2020	4,598	4,635
	Thompson Reuters	Canadian Equity	542	
4.200	Tim Hortons Inc.	June 1, 2017	2,262	2,295

(Thousands of dollars)

Interest Rate %	Security	Maturity Date	Par Value	Purchase Price
	Tim Hortons Inc.	Canadian Equity	478	
	Time Warner Inc.	U.S. Equity	81	
	TDR Companies, Inc.	U.S. Equity	68	
FR	Toronto Dominion Bank	November 2, 2020	1,564	1,564
4.854	Toronto Dominion Bank	February 13, 2013	4,246	4,522
	Toronto Dominion Bank	Canadian Equity	1,780	
	Torcan Well Service Ltd.	Canadian Equity	3,197	
	U.S. Bancorp.	U.S. Equity	1,389	
	Ultra Petroleum Corp.	U.S. Equity	51	
5.200	Union Gas Limited	July 23, 2040	547	544
	Union Pacific Corporation	U.S. Equity	2,340	
	UnitedHealth Group Inc.	U.S. Equity	2,172	
	Uranium One Inc.	Canadian Equity	4,068	
	Valiant Pharmaceutical Int'l Inc.	Canadian Equity	6,674	
	Varian Medical Systems, Inc.	U.S. Equity	63	
	Wal-Mart Stores, Inc.	U.S. Equity	246	
	Water Energy, Inc.	U.S. Equity	261	
	Yum! Brands, Inc.	U.S. Equity	40	

\$ 1,579,458

2010 ANNUAL REPORT

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